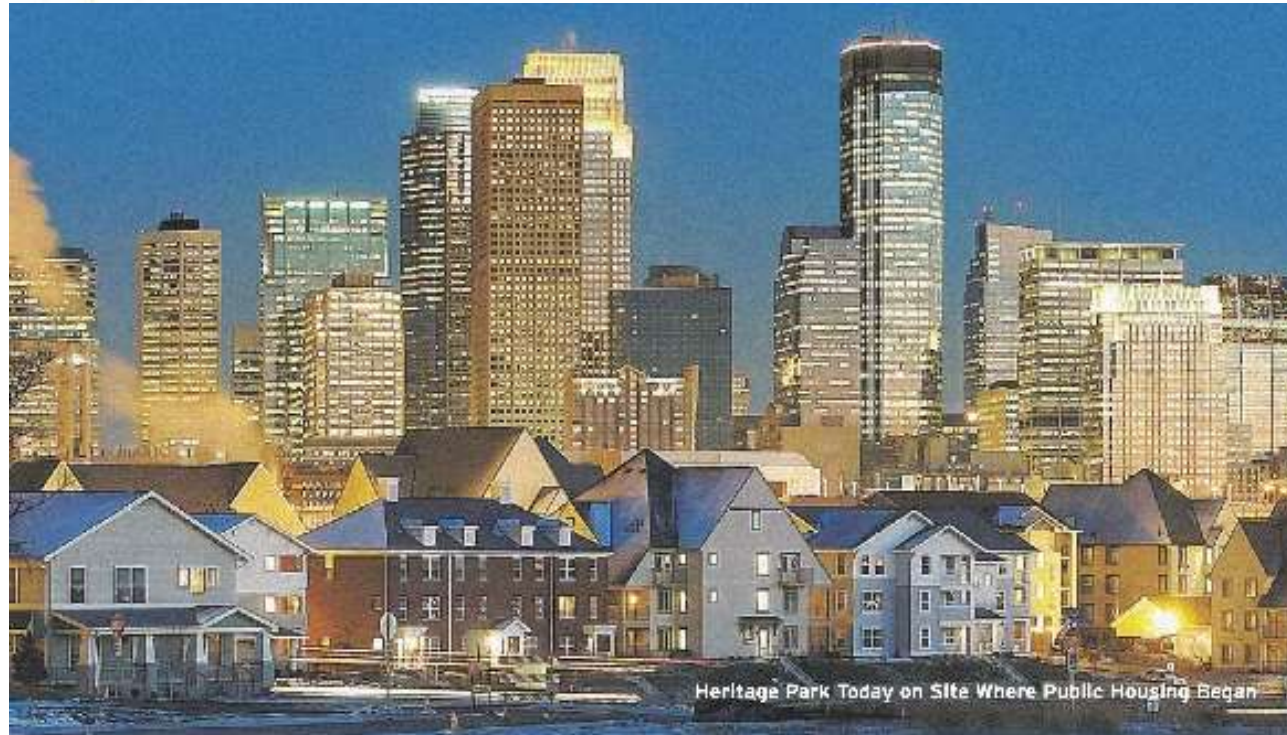




Cora McCorvey, Executive Director/Chief Executive Officer



FY2017 MOVING TO WORK PLAN

Resubmitted to HUD January 23, 2017

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EQUAL HOUSING OPPORTUNITY – EQUAL EMPLOYMENT OPPORTUNITY

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The mission of Minneapolis Public Housing Authority (MPHA) is 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.

FY2017 MOVING TO WORK ANNUAL PLAN

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SECTION I: INTRODUCTION

Short and Long-Term MTW Goals and Objectives

Short Term MTW Goals and Objectives

Minneapolis Public Housing Authority (MPHA) is one among a small percentage of “Moving to Work” (MTW) public housing authorities in the nation. MTW allows public housing authorities to exercise flexibility over how and where their funding from HUD will be spent. It also permits MPHA to waive various rules and regulations in order make choices about how programs and services are delivered enabling the Agency to respond to specific affordable housing needs in our community. MTW does not increase federal appropriations, but it does allow public housing authorities greater control in deciding how to use them. With the Agency facing funding shortages, which are expected to continue far into the foreseeable future, MPHA’s MTW designation provides a powerful tool that can be used to support its mission.

MPHA’s short term MTW goals can be encapsulated in using its MTW authority and flexibility to identify strategies that have changes and/or will be implemented in 2017 consistent with its overall MTW Plan. With the overall goal of supporting MPHA's efforts to continue serving as many families as we can by providing safe, affordable and decent housing opportunities, including the preservation of its public housing units in the wake of on-going reductions in federal and local funding, and addressing the continuing and burdensome and bureaucratic demands made on our programs.

In 2017, MPHA will continue its efforts to develop and implement a strategy for acquiring property, securing capital funding and begin developing new units of public housing through utilizing its Faircloth ACC authority. MPHA's approved 2015 MTW initiative related to moving families with children out of homeless shelters is one of the outcomes envisioned for these short-term goals. MPHA continues to engage with its partners, Family Housing Fund, Hennepin County, Minnesota Housing Finance Agency and the City of Minneapolis to identify sources of Capital Funds that can assist with the development of Faircloth units. MPHA has secured the rights to purchase a property at 54th and Riverview, has submitted applications to the Minnesota Housing Finance Agency and the City of Minneapolis for funds that would assist with the development of sixteen townhomes units (Minnehaha Townhomes) in 2017 -18 to further this initiative. This initiative has been moved from the ‘Not Yet Implemented’ to Implemented Activities.

MPHA has identified a number of MTW related actions for its 2017 MTW Plan. MPHA is proposing a Local Asset Management Plan (LAMP) in its 2017 MTW plan. The Alternate Income Verification, Absence from Unit and Foreclosure Stabilization activities have been moved to the ‘Closed Out Activities’ category. Explanations regarding MPHA actions related to these initiatives are included in the ‘Update’ section of the activity in the body of the 2017 MTW Plan. MPHA opened its new acute assisted living – memory care program at its Signe Burkhardt development. The Agency did not

need to utilize the Alternate Income Verification initiative for quickly processing vulnerable persons for housing in the program, nor any other MTW authority or waivers for this redevelopment activity.

While MPHA has used its MTW authority to increase the minimum rent to \$75 dollars per month, the Agency is again postponing the allowed additional increase to \$100 due to strong resident feedback that such an increase would create an undue hardship for those very low income families who do not have additional sources of income. MPHA will continue to evaluate this on a year-to-year basis.

While MPHA's Lease To Own Initiative (LTO) continues to struggle to fulfill the opportunities imagined with the development of this program, the Agency is making progress that encourages us to continue to keep this program as an active initiative. MPHA successfully secured HUD approval for its Section 32 Homeownership Plan in June of 2016 and worked with the Homeowner Association to receive FHA approval for financing sale of the LTO units. MPHA anticipates four existing participants will purchase in 2016 and additional units in 2017. MPHA expanded its options under the Housing Choice Voucher Mobility program to permit the initial use of the HCV Mobility vouchers to be expanded to the seven-county metropolitan area but it is still limited to non-concentrated areas. MPHA is engaged in an even more ambitious redesign of its Mobility Initiative and expects the redesign to be completed in 2016 with full implementation in 2017. In 2015, MPHA-Hennepin County's Interim Housing Demonstration Initiative moved from the 'Not Yet Implemented' category to the 'Implemented' category as it has housed its first participants. Unfortunately, this program was not sustainable and was moved to the 'Closed Out' activities. Should need arise, MPHA will consider a redesign and a new initiative to serve this client base.

In light of HUD Notice PIH 2016-05, MPHA will move the Public Housing Full Two Year Disregard Initiative to the 'Closed Out Activities' category and follow the Notice.

MPHA received a National Association of Housing and Redevelopment Officials (NAHRO) Award of Merit for its Alliance Housing Soft Subsidy MTW Initiative and because of the early success of this program, plans to extend the Agreement between Alliance Housing and MPHA an additional five years in beginning in 2017.

MPHA is in the final stages of its Shelter to Home Project Base Initiative. The Agency issued a RFP in August 2016 with the intention of the program being fully operational in 2017.

MPHA's two Sponsor Based Voucher initiatives 'Prison to Home' and 'Permanent Supportive Housing for Youth' are in the pipeline for implementation in 2016 with the goal of becoming fully implemented in late 2016 or early 2017. Details are in the activity update section of the 2017 Plan. The Agency will also explore a similar initiative with the Northside Achievement Zone (NAZ), a Promise Neighborhood Awardee, whose mission it is to engage in a collaboration of organizations and schools partnering with families in North Minneapolis to prepare children to graduate

from high school ready for college. NAZ works side by side with families from before a child is born through college, providing comprehensive support designed to impact a child's education and life trajectory. Stable housing is an essential ingredient of this collaboration.

MPHA received a HUD Rental Assistance Demonstration (RAD) CHAP to convert the 200 public housing units that are part of the mixed-income development in Heritage Park to Project Based Rental Assistance (PBRA). MPHA hopes to complete the conversion in 2017 and will incorporate the RAD Housing Choice Voucher requirements into its plan consistent with the RAD requirements.

In 2017, MPHA will continue to engage in a continuous and ongoing review of its Asset Management Program portfolio and identify old, antiquated and unproductive properties that may be disposed of, refurbished and/or converted into small cluster developments, mixed financed communities and/or other income producing resources that support the Agency's overall affordable housing programs. This may include utilizing RAD, Voluntary Conversion, Bonding, Low-Income Housing Tax Credits, New Markets Tax Credits, Historic Tax Credits and/or other sources of funds and supports. This includes a comprehensive review of MPHA's 184-unit Glendale family townhome development and various scattered site housing units. At this time, MPHA has informed HUD that it is not pursuing a RAD conversion for Glendale under the Portfolio option provided by HUD in its 2016 CHAP.

In undertaking redevelopment activities, MPHA may need to establish limited liability corporations/partnerships in order to qualify for certain funding opportunities.

MPHA will also consider long-term lease or disposition of vacant parcels of land that are not tied directly to housing of tenants that could be sold or traded for other development opportunities and/or converted to some other purpose that benefits the Agency.

As noted above, MPHA will consider partnering with other agencies, organizations, units of government to fully utilize its Faircloth ACC authority to expand and/or create additional affordable housing in our community and or specific housing and housing with services opportunities for families with children who are homeless and in shelter.

MPHA was given authorization under its MTW Agreement to implement local non-traditional activities. MPHA will explore and, as opportunities present themselves, partner and/or engage in activities that will position MPHA to contribute to affordable housing needs in the community. MPHA will follow guidance given by PIH Notice 2011-45 to implement any activity.

MPHA has been collaborating with the City of Minneapolis, HUD, the McKnight Foundation, Family Housing Fund and other regional HRAs in exploring strategies for expanding affordable housing in opportunity areas around the Minneapolis-St. Paul region as well as, how to engage in de-concentration and Furthering Fair Housing initiatives. There is interest in exploring possibilities of forming consortia or other intergovernmental arrangements that could also embrace MPHA's Moving To Work authority that would support initiatives created from this collaboration.

Long Term MTW Goals and Objectives

MPHA will continue to use the Agency's 2012 - 2017 Strategic Plan adopted by the MPHA Board of Commissioners in 2012 to reflect its long term MTW Goals. MPHA is committed to responding proactively and strategically in determining its priorities and actions, including when and how to exert its MTW flexibility. MPHA's decision to take the more 'proactive' approach is not new. Since 1991, when it became an independent agency, MPHA has boldly taken calculated risks, engaged the community, and structured its decisions and actions to take maximum advantage of available opportunities to better serve its residents and program participants as well as contribute to the critical housing needs of some of the most vulnerable in our community.

The Mission of the Minneapolis Public Housing Authority is to promote and deliver quality, well-managed homes to a diverse low-income population and, with partners, contribute to the well-being of the individuals, families and community we serve.

MPHA's long term vision integrates the mission and values of the Agency, the seven strategic directions adopted as part of its recently approved Strategic Plan with MTW flexibility to best position MPHA to address the challenges and seize the opportunities it will face during the next five years.

The Board of Commissioners held working sessions in April, May and June of 2015 to assess the 2012-2017 Strategic Plan, identify the challenges facing the Agency, and consider critical community needs. The outcome of these working sessions led the Board to reaffirm its priority for preserving its public housing portfolio, but also encouraged more balance in responding to critical community needs by utilizing the Agency's MTW authority and targeting use of its Section 8 HCV resources.

Strategic Direction 1

MPHA's highest priority is to preserve its viable housing portfolio so it remains a resource for affordable, safe, and high quality housing for its residents.

- *Goal 1: Conduct physical needs assessments that provide the basis for capital improvements planning and implementation on a regular and reasonable basis.*
- *Goal 2: Provide maintenance and capital improvements to ensure a consistent livability standard that meets or exceeds HUD's Uniform Physical Condition Standards (UPCS).*
- *Goal 3: Implement sustainable strategies and technologies when carrying out capital and maintenance activities and agency operations.*
- *Goal 4: Take advantage of opportunities to maintain Public Housing subsidies and pursue other opportunities that contribute to the preservation of existing viable sites.*

- *Goal 5: Develop evaluation criteria, including housing program needs, cost effectiveness, and long-term sustainability measures, to consider when determining which properties should be retained and which should be eliminated from MPHA's portfolio.*
- *Goal 6: Investigate opportunities to reposition single family homes into more cost effective and operationally efficient housing inventory.*
- *Goal 7: Conduct a comprehensive assessment of security needs and practices with the goal of contributing to a safe and secure environment in a cost-effective manner.*

Strategic Direction 2

MPHA will maximize effective use of its Section 8 Housing Choice Voucher Authority and have as a priority to maintain its baseline number of Tenant-Based vouchers and respond to additional critical Minneapolis community affordable housing needs by assessing revenue streams, resource implications, and opportunity costs as it allocates its vouchers.

- *Goal 1: MPHA's priority will be to affect a balanced approach aimed at housing families from the agency's current wait list by maintaining and, where possible, expanding its allocation of Tenant-Based Vouchers and creating partnerships in order to make the most effective use of its limited Project Based Authority.*
- *Goal 2: When allocating Project Based Vouchers, MPHA will adopt strategies that will promote affordable housing to families with specifically identified needs, promote service enriched housing, leverage increases in the supply of affordable housing, and foster operational stability for affordable housing development.*
- *Goal 3: When awarding Project Based Vouchers to potential partners, MPHA will develop and implement evaluation criteria that will include the partner's willingness to cover MPHA's costs above those that would be provided by HUD for Tenant- Based vouchers.*
- *Goal 4: Create policies that position the agency to respond to natural disasters and other emergencies as determined by the MPHA Board of Commissioners.*

Strategic Direction 3

MPHA will seek partnerships with the goal of enhancing services, promoting health and wellness, contributing to safety and supporting residents and participants in their efforts to live independent lives.

- *Goal 1: Promote opportunities, in cooperation with its partners, for residents to age in place and receive services and supports that will allow residents to have quality lives.*
- *Goal 2: Sustain its Senior Housing Designation Plan, which creates and sustains senior communities within MPHA public housing developments and, offers choices for seniors regarding housing location and assisted living programs.*

- *Goal 3: Encourage and support resident involvement and participation in agency activities that impact residents and their homes. MPHA will work with established resident council and representation systems to support this goal.*
- *Goal 4: Provide through its partnerships education, training and employment opportunities for residents and participants seeking to become economically self-sufficient.*
- *Goal 5: Coordinate with the City of Minneapolis, Hennepin County and other partners to identify and implement specific strategies that promote health and wellness opportunities for residents and participants, including making MPHA smoke-free within the next five years.*

Strategic Direction 4

MPHA will continue to participate and communicate with HUD, the State of Minnesota, the Metropolitan Council, Hennepin County, and the City of Minneapolis to contribute to the development of housing policy and housing policy implementation as well as to ensure that the affordable housing needs of Minneapolis residents and the agency's capacity and ability to address these needs will be considered when housing-related decisions are being made.

- *Goal 1: Continue to interact with other units of government to contribute to the development of housing policies, rules, and regulations.*
- *Goal 2: Interact with local jurisdictions to create a local housing policy agenda, contribute to the housing elements of local plans, address immediate housing issues, develop emergency response strategies, and encourage a cooperative approach to implementing housing policy and services.*
- *Goal 3: Strategically communicate MPHA's successes, initiatives and capabilities to local leaders, businesses, and stakeholders and partners in order to increase awareness of MPHA's capabilities and contributions.*

Strategic Direction 5

MPHA will use its resources in an efficient and accountable manner, in compliance with all laws and regulations, and will seek to maintain an adequate financial reserve to ensure the long-term viability of the agency and protect it from unanticipated costs and the consequences of fluctuating federal appropriations.

- *Goal 1: MPHA will look for ways to streamline its operations in order to realize financial efficiencies and economies of scale.*
- *Goal 2: MPHA will maintain an adequate financial reserve to safeguard the agency against unanticipated costs and widely varying federal appropriations.*
- *Goal 3: MPHA recognizing the importance of operating with transparency, accountability and integrity, will meet all financial reporting, audit and expense eligibility requirements to the satisfaction of granting agencies and other financing partners.*

- *Goal 4: Conduct business and financial functions with a focus on best practices and integrity.*

Strategic Direction 6

MPHA will update and strengthen its operational policies and practices to ensure: a) that all staff can perform their duties at the highest levels of competency and b) the long-term viability of the agency, including cultivating and attracting the next generation of leadership.

- *Goal 1: Provide staff training that benefits both the employee and the agency to ensure staff is abreast of and responsive to current trends.*
- *Goal 2: Provide diversity training for staff to improve communications with an increasingly diverse base of customers.*
- *Goal 3: Provide regular opportunities for staff to reflect on their goals and accomplishments.*
- *Goal 4: Design and implement management succession strategies that, at a minimum, include cultivating. Retaining, and attracting the next generation of leadership.*
- *Goal 5: Recruit and retain a diverse and talented workforce.*

Strategic Direction 7

MPHA will continue its commitment to promote participation in its operations by women, minority and Section 3 residents and Businesses as well as other Small and Underutilized Business Program (SUBP) participants.

- *Goal 1: Recruit and hire qualified women, minority and Section 3 residents as part of a commitment to promote participation in its operations and comply with appropriate Section 3 requirements.*
- *Goal 2: Conduct procurement activities in compliance with Section 3 requirements and to promote MPHA goals related to participation of women and minority enterprises in agency business activities.*
- *Goal 3: Create a MPHA Job Bank that provides a list of Section 3 eligible residents, job interest categories and contact information that can be provided to firms doing business with MPHA.*
- *Goal 4: Identify and engage with organizations that provide education, training and support for employment related to the kinds of work performed by firms doing business with MPHA and refer residents to these organizations.*

SECTION II: GENERAL HOUSING AUTHORITY OPERATING INFORMATION

II.1 Plan. Housing Stock

Planned New Public Housing Units to be Added During the Fiscal Year

AMP Name and Number	Bedroom Size							Total Units	Population Type *	Fully Accessible	Adaptable
	0	1	2	3	4	5	6 +				
PIC Dev. # MN0020000 02/AMP2 PIC Dev. Name Scattered Site	0	0	5	13	2	0	0	20	General/Other	2	1
Total Public Housing Units to be Added									20		

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

If Other, please describe:

16 Units are part of MPHA's Shelter to Home program where MPHA will work with Hennepin County to identify families from the County's shelter program.

MPHA, at the request of Minneapolis Urban League, is transferring six (6) units of public housing that is already under its ACC to its scattered site program. This is not adding to MPHA's unit count as they are already under our ACC, but it changes their status to Scattered Site MN002000002/AMP 2.

Planned Public Housing Units to be Removed During the Fiscal Year

PIC Dev. # / AMP and PIC Dev. Name	Number of Units to be Removed	Explanation for Removal
PIC Dev. #MN002000002 2/AMP PIC Dev Name: Scattered Site	3	High cost of maintenance and operation, obsolete and aging systems infrastructure, buildings located in areas of concentrated poverty. This will not be done through the de minimis exception to the demo/dispo rule. Occasionally, MPHA disposes of a scattered site unit due to the unit located in a redevelopment area, infrastructure expansion area, or due to obsolescence or damage from a fire or natural disaster such as flood or tornado. When or if these situations arise, MPHA will go through the proper disposition regulations and submit an application through the SAC. Although no units are identified at this time, MPHA wants to have the disposition option available to it so that it doesn't have to amend its MTW Plan.
PIC Dev. #MN02-000008 PIC Dev Name: AMP 8 - Heritage Park	200	MPHA was a successful applicant in the Rental Assistance Demonstration (RAD). As a result, MPHA will be converting its 200-unit AMP 8 Heritage Park project to Project Based Rental Assistance in 2017.
Total Number of Units to be Removed	203	

New Housing Choice Vouchers to be Project Based during the Fiscal Year

Property Name	Anticipated Number of New Vouchers to be Project-Based *	Description of Project
Shelter to Housing	50	Through amendment to its 2015 MTW Plan, MPHA proposed project basing up to fifty (50) vouchers with non-profit housing providers in the City of Minneapolis. The access to this housing is restricted to families in shelter, identified through Hennepin County's HMIS Case Management System and referred to the affordable housing provided. MPHA is engaging in a Request for Proposals (RFP) for these specialized vouchers and invites affordable housing providers and developers to respond to this initiative. A portion of these vouchers may be set-aside for a project that would provide housing support for homeless youth who themselves have children.
Anticipated Total New Vouchers to be Project- Based	50	Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year 762 Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year 762

Other Changes to the Housing Stock during the Fiscal Year

58 MTW Public Housing Units will be held off-line each month in 2017 due to substantial rehab.

As outlined in the previous section, occasionally MPHA disposes of a scattered site unit due to the unit located in a redevelopment area, infrastructure expansion area, or due to obsolescence or damage from a fire or natural disaster such as flood or tornado. When or if these situations arise, MPHA will go through the proper disposition regulations and submit an application through the SAC. Although no units are identified at this time, MPHA wants to have the disposition option available to it so that it doesn't have to amend its MTW Plan. MPHA will seek funding for developing new or purchasing existing structures with single family units to replace units that have been approved for disposition and/ or units that are being considered for disposition. Newly developed housing will be Energy Star certified and preferably in clusters of approximately four or more units depending on land availability. Existing structures that are acquired will be in clusters as well. These units will have 3-4 bedrooms each and one of the units will comply with Section 504 of the Fair Housing Act. MPHA will submit a development application to HUD when suitable land and funding has been identified for development. MPHA understands that regulations call for 5% of units to be handicapped accessible and an additional 2% for sight or hearing impaired.

MPHA is also considering creating additional senior housing and possibly a development initiative to create housing for very large families who currently are at risk of homelessness due to a lack of such housing in the city. MPHA understands that prior to moving forward with this specific proposal, the agency will take appropriate action to amend the MTW Plan and secure needed HUD approvals and will follow development regulations found at 24 CFR 941. If successful in securing suitable land and sufficient funds for development opportunities described above, MPHA may dispose of a number of single family units from its AMP2. These units will be disposed as part of MPHA's asset management plan to replace units that are difficult to rent and that have high operating, maintenance and capital needs with newly built units in clusters that are more efficient and cost effective to maintain and operate. An application for disposal of these units will be submitted to HUD at the appropriate time. HUD has published the final CFP rule and the agency will comply with the CFP rule requirements. MPHA is pursuing sixteen (16) such units in its Minnehaha Townhome project on a vacant parcel of land in south Minneapolis. If funding is secured, construction of this development will commence in the Summer of 2017.

MPHA has been awarded a CHAP under HUD's Rental Assistance Demonstration (RAD) program for the 200 units of public housing at Heritage Park, AMP 8. MPHA expects to have a successful conversion in late 2016 and if so, these units will be moved from the Agency's public housing inventory and converted to a PBRA program under an Agreement with HUD or a MPHA PBV program. MPHA is exploring the possibility of voluntary conversion and other options for the preservation of its 184-unit townhome development at Glendale. Once a determination is made to move forward, MPHA will follow the process as required by HUD.

General Description of All Planned Capital Fund Expenditure During the Plan Year

The Minneapolis Public Housing Authority (MPHA) is applying for a \$10.3 million CFP allocation for 2017. Further, projects that were initiated under previous funding cycles, but not fully completed in prior years, will carry over and incur expenditures in 2017. Additionally, a portion of the projects slated for 2017's \$10.3 million budget will not be fully expended in 2017 and will carry into 2018. This expenditure schedule is based on the assumption of receiving the Capital Fund grant by the end of March 2017. MPHA has estimated approximately \$17.39 million in capital expenditures for FY2017 targeted at specific projects in six of its seven Asset Management Projects (AMPs). Included in the \$17.39 million Capital Funds expenditures are roofs and infrastructure upgrades for AMP 2 our scattered site developments and major plumbing replacement, HVAC upgrades, elevators, facade restorations, roof replacement, sprinkler system installation and fire alarm upgrades, common area improvements, and apartment upgrades in our highrise developments focusing on AMPs 3,4,5,6, and 7. Details of this activity can be seen in Appendix B. In performing its capital work, MPHA adheres to Federal, State and Local codes and regulatory processes.

II.2 Plan. Leasing Information

Planned Number of Households Served at the End of the Fiscal Year

MTW Households to be Served Through:	Planned Number of Households to be Served*	Planned Number of Unit Months Occupied/ Leased***
Federal MTW Public Housing Units to be Leased	6,087	73,044
Federal MTW Voucher (HCV) Units to be Utilized	4,437	53,244
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs **	0	0
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Tenant-Based Assistance Programs **	122	1,464
Total Households Projected to be Served	10,646	127,752

* Calculated by dividing the planned number of unit months occupied/leased by 12.

** 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 PHA should estimate the number of households to be served.

***Unit Months Occupied/Leased is the total number of months the PHA has leased/occupied units, according to unit category during the fiscal year.

Reporting Compliance with Statutory MTW Requirements

If the PHA has been out of compliance with any of the required statutory MTW requirements listed in Section II(C) of the Standard MTW Agreement, the PHA will provide a narrative discussion and a plan as to how it will return to compliance. If the PHA is currently in compliance, no discussion or reporting is necessary.

Minneapolis Public Housing Authority is in compliance with MTW Statutory Requirements and thus no reporting is necessary.

Description of any Anticipated Issues Related to Leasing of Public Housing, Housing Choice Vouchers and/or Local, Non-Traditional units and Possible Solutions

Housing Program

Description of Anticipated Leasing Issues and Possible Solutions

Public Housing

Public housing units in North Minneapolis are difficult to lease due to neighborhood crime and high foreclosure rates in North Minneapolis which results in many non-MPHA units being vacant in the neighborhood. Applicants do not want to live in a neighborhood with many vacant units.

MPHA is partnering 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 and children move through a "cradle-to-career" pipeline that provides comprehensive support from pre-natal through college to career. Families who agree to move into the NAZ area are allowed to apply even though the waiting list is closed, with the requirement that they accept a unit in the "zone". There are fifty-nine (59) scattered site units in the NAZ.

MPHA has studio (efficiency) units located throughout Minneapolis, depending on the actual size and the location, which can be also difficult to rent. MPHA is trying new strategies at three buildings with especially hard to lease units where by all new move-ins are being housed in efficiencies and when a one bedroom opens up in that building, it is filled by the resident who has been living in an efficiency the longest, but not less than three years. MPHA has used this strategy for

	two years and has yet to determine whether it is successful. However, MPHA is modifying the policy to require a person to have been housed for three years in an efficiency, in order to alleviate some of the maintenance pressure. We also have one location (1710 Plymouth) where for the past 10+ years, MPHA has secured permission from HUD to engage in permissible deductions to annual income such that residents pay 20% of their adjusted gross income for rent for these specific units. MPHA recognizes that the units off line will delay a number of highrise families from being taken from the waiting list, but it does not impact lease up issues for the Agency.
Public Housing Lease-To-Own (LTO)	MPHA has struggled to identify families who meet the rigorous screening criteria of work history, minimum income and an ability to demonstrate credit sufficient to obtain financing within five (5) years. MPHA continues to market the LTO Program to MPHA residents and others meeting minimum income requirements posted on MPHA's website, through mailings to MPHA's two-bedroom waiting list, by networking with HUD approved homeownership counseling agencies and reaching out to new income eligible MPHA employees.
Section 8/HCV	As of 2016, MPHA has been pulling and purging waitlist applicants and have continued the successful leasing of applicants as in 2015. Approximately 80% of families from the waiting list found qualifying rental units within ninety (90) days. Instead of hiring a consultant to redesign the Mobility Voucher Program, Section 8 HCV staff redesigned the program and added some new material incentives and case management activities internally. However, upon further review the HCV Program has decided to have two dedicated Mobility staff for 2017. There will be a Mobility Community Services Coordinator who will conduct the case management and eligibility activities for the Mobility Participants and the Mobility Community Engagement Coordinator will conduct all external advocacy activities along with landlord recruitment. Implementing this strategy was deemed the most effective in garnering more community support for mobility and eventually expanding the program.

II.3 Plan. Wait List Information

Wait List Information Projected for the Beginning of the Fiscal Year

Housing Program(s) *	Wait List Type**	Number of Households on Wait List	Wait List Open, Partially Open or Closed***	Are There Plans to Open the Wait List During the Fiscal Year
Federal MTW Public Housing Units - Highrise	Community-Wide	6,816	Partially Open *	N/A

Federal MTW Public Housing Units - Family	Community-Wide	6,331	Partially Open **	N/A
Federal MTW Public Housing Lease-To-Own (LTO)	Site Based	0	Open *** Since approved applicants are immediately offered an available unit, there are currently no qualified applicants on a waiting list.	List will remain open until all units are filled and reopen for vacancies
Federal MTW Housing Choice Voucher Program	Community-Wide	2,927	Closed	Yes
Project Based Local	Program Specific	1,537 Total, but varies by Program	Some are open for Program Specific Referrals and some are closed.	Yes

* *Select Housing Program:* Federal MTW Public Housing Units; Federal MTW Housing Choice Voucher Program; Federal non-MTW Housing Choice Voucher Units; Tenant-Based Local, Non-Traditional MTW Housing Assistance Program; Project-Based Local, Non-Traditional MTW Housing Assistance Program; and Combined Tenant-Based and Project-Based Local, Non-Traditional MTW Housing Assistance Program.

** *Select Wait List Types:* Community-Wide, Site-Based, Merged (Combined Public Housing or Voucher Wait List), Program Specific (Limited by HUD or Local PHA Rules to Certain Categories of Households which are Described in the Rules for Program Participation), None (If the Program is a New Wait List, Not an Existing Wait List), or Other (Please Provide a Brief Description of this Wait List Type).

*** For Partially Open Wait Lists, provide a description of the populations for which the waiting list is open.

* Open for Public Housing elderly, disabled and near-elderly.

** Partially Open (third Wednesday of every month) for families eligible for 3, 4, and 5 bedroom units.

*** Open for eligible MTW working families meeting minimum income guidelines and demonstrated capacity to purchase within a 5-year period.

If Local, Non-Traditional Housing Program, please describe:

N/A

If Other Wait List Type, please describe:

N/A

If there are any changes to the organizational structure of the wait list or policy changes regarding the wait list, provide a narrative detailing these changes.

N/A

SECTION III: PROPOSED MTW ACTIVITIES: HUD APPROVAL REQUESTED

MPHA has no new activities proposed for 2017 at this time.

SECTION IV: APPROVED MTW ACTIVITIES: HUD APPROVAL PREVIOUSLY GRANTED

IMPLEMENTED ACTIVITIES

MPHA recognizes the unique status of the relationship between MPHA, the owners and managers of the 312 Mixed Income Developments throughout the Minneapolis Metropolitan Area and public housing residents living in assisted properties neither owned or managed by MPHA. Because of the impacts that specific MTW initiatives could have on owners and families who manage and live in properties that MPHA neither owns or manages, and the fact that each of these developments where the public housing is governed by a specific Regulatory and Operating (R & O) Agreement, all MTW initiatives approved under the waivers to the Public Housing Low Rent program will not be applicable to those developments unless both MPHA and the Owners agree.

FY2016 ACTIVITY 1: Shelter to Housing - Project Based Vouchers (Approved in 2016 and implemented in 2016/2017)

Description of Activity

Originally MPHA intended to implement this program through LIPH; however, with the limited availability of capital funds and the lengthy process of development and construction of such a project, the MTW initiative was changed into a Project Based Voucher initiative instead. By using the housing subsidy to project base units instead of fully funding the construction and maintenance of an additional public housing project, MPHA is able to house families coming out of homeless shelters much faster and more cost efficiently.

MPHA submitted an Amendment to its 2015 MTW Plan that replicates but does not replace its original Shelter to Home initiative. Under the Shelter to Home PBV initiative, MPHA will project base up to fifty (50) vouchers with non-profit housing providers in the City of Minneapolis. Per HUD's direction, this 2015 Amendment was moved to the Agency's 2016 MTW Plan. The access to this housing would be restricted to families in shelter, identified through Hennepin County's HMIS Case Management System and referred to the affordable housing provided. MPHA is currently engaging in a Request for Proposals (RFP) process for these specialized vouchers and invites affordable housing providers and developers to respond to this initiative. MPHA is using its Moving To Work (MTW) authority along with a Project Base Voucher strategy to create a specialized housing program for families coming out of homeless shelters and to limit the time families can utilize this housing for no more than five years to ensure that these developments will turn over and become an on-going resource for homeless families.

Anticipated Impact

MPHA anticipates that this program will create fifty (50) units in the first two years of the program and begin to bring almost immediate relief to families who are stuck in shelter to due lack of other affordable housing and in doing will also free up shelter space for other families relegated to be housed in overcrowded, unsafe and/or unsanitary conditions. Families targeted for the program will receive ongoing services from Hennepin County, RFP Responders and/or their services partners. The RFP responses are required to reserve the project based units exclusively for families coming out of shelter, develop a family services plan that will support the family in finding alternative housing within five years and hold the units as an ongoing resource for homeless families.

MTW Authorizations:

Attachment C -Bbii: Single Fund Budget with Full Flexibility
Attachment C-B2: Partnerships with For-Profit and Non-Profit Entities. This authorization waives certain provisional Sections 13 and 35 of 1937 Act and 24CFR 941 Subpart F as necessary to implement the Agency's MTW Plan.

Attachment C-D. 1.a. : Operational Policies and Procedures authorizations to determine term and content of contract - This authorization waives certain provisions of Section 8(o)(7) of the 1937 Act and 24 C.F.R. 982.162 as necessary to implement the Agency's Annual MTW Plan.

C. D 2. a. and d. Rent Policies and term limits
- This authorization waives certain provisions of Sections 8(o)(1), 8(o)2, 8(o)3, 8(o)(10) and 8(o)(13)(H)-I of the 1937 Act and 24 C.F.R. 982.508,982.503 and 982.518 as necessary to implement the Agency's Annual MTW Plan.

C. D. 4 .Waiting List Policies - This authorization waives certain provisions of Sections 8(o)(6), 8(o)(13)(J) and 8(o)(16) of the 1937 Act and 24 C.F.R.982 Subpart E, 982.305 and 983 Subpart F as necessary to implement the Agency's Annual MTW Plan.

C. D 7. b. Establish a reasonable competitive process - This authorization waives certain provisions of 24 C.F.R. 983.51 as necessary to implement the Agency's Annual MTW Plan.

Statutory Objectives:

This program will feature the MTW Statutory Objective of Increasing Housing Choices as it will focus on creating an avenue for very low income families in homeless shelters to move into a specialized PBV program with services.

Anticipated Schedule

A RFP was issued in August 2016 and MPHA received one proposal. The proposal for twelve (12) PBVs met the scoring criteria for an award. MPHA has informed the proposer and is working with Lutheran Social Services to finalize the HAP Agreement.

2017 Update

As noted in the Anticipated Schedule, MPHA issued a RFP in August 2016 (see below). MPHA received one response for twelve (12) units. It met all criteria and MPHA has approved PBVs for these units and is currently working with Lutheran Social Services for this award.

In 2017, MPHA intends to re-issue the RFP and work with Hennepin County and the City of Minneapolis Office to End Homelessness to host a pre-response meeting to inform local affordable housing providers of the opportunities through this RFP.

MPHA expects to award the remaining PBVs in 2017.

Changes in Authorization, Metrics, Baselines, or Benchmarks

MPHA does not anticipate any non-significant changes or modifications, changes to metrics, baselines or benchmarks, or changes to the authorizations during the Plan year.

**FY2016 ACTIVITY 3: Permanent Supportive Housing for Youth
(Approved in 2016 and implemented in 2016/2017)**

Description of Activity

The City of Minneapolis has a significant need for permanent supportive housing for homeless youth. This issue is not unique to Minneapolis; nationwide homeless youth are sleeping on the streets or in shelters that are not much safer than the streets. The most recent report from Wilder Research estimates that in Minneapolis, young people make up "nearly half of the 14,000 homeless people on any given day".

Project for Pride in Living (PPL) is working with YouthLink to build a new supportive housing community that will provide housing for forty-six (46) homeless youth, ages 18-23. MPHA has received a formal request, along with project description, from PPL for twelve (12) project-based vouchers; PPL is in the process of securing funding to develop this supportive housing.

YouthLink and PPL are skilled and successful in providing educational support, job training and other supportive service activities. MPHA is proposing to partner with them by utilizing its MTW authority to provide twenty-five (25) sponsor-based 'soft subsidy' vouchers to support this initiative.

- **Services**

Supportive services for the youth participants include an array of hands on staffing support including a Program Supervisor, responsible for overall service delivery and outcomes; a Resident Advisor, who will live on-site and be available to troubleshoot crises that may occur outside of typical office hours; and four Case Manager/Navigators. The Case Manager/Navigators, in addition to working with young people in a traditional case management model, will help young people connect to community and Youth Opportunity Center resources based on individual aspirations and life goals, as well as helping them navigate the often-difficult system of community-based adult services such as education, employment, and independent housing.

The Youth Opportunity Center (YOC) located in downtown Minneapolis will provide youth participants with additional support and services including basic needs and crisis intervention, education, employment, housing stability, and health/wellness services. The array of services available onsite at the YOC are intentionally designed to meet the individual needs of each young person at a single safe and convenient location.

MTW Authorization:

The authorization utilizes the authority allowed in the amendment to Attachment D "broader uses of funds authorization" which HUD has approved.

Attachment C D 1 related to Section 8 HCV only - Operational Policies and Procedures.

Statutory Objective:

This program will feature the MTW Statutory Objective of Increasing Housing Choices as it will focus on creating an avenue for very low income homeless youth to move into a specialized housing program with services.

- How participants are chosen

The Youthlink/ PPL program will select the youth it serves through a multistage selection process. Potential residents will first be referred to YouthLink through the Coordinated Entry process. When the youth comes in for an interview they will fill out various forms and questionnaires to provide a variety of information about their life (past homelessness, employment, education, needs, criminal history, etc.). After this process and a background check, the young person meets with the housing supervisor for the Social Services interview and Self Sufficiency assessment. The next stage of the process is filling out the necessary information federally required such as tax information, income verifications, citizenship status etc. Throughout this process the staff at the Youth Opportunity Center will assist youth applicants in any questions or issues raised about the process. When all the information is completed and turned in, the Compliance Staff will approve and sign off on the application and pass their information to the PPL Property Manager to work with the applicant to enter into a lease agreement.

- Rent and MPHA Support

Utilizing the sponsor-based approach, MPHA would contract with PPL or YouthLink to administer the subsidy on behalf of the homeless youth. Youth will be expected to pay 30% of their incomes toward their housing and if allowable under the various funding supports a minimum rent of \$75 per month. As noted, above, YouthLink will also provide the supportive services. As PPL and YouthLink move to the construction of the development, MPHA will, **consistent with the competitive requirements for project basing vouchers**, create an opportunity for the sponsor based voucher partners to transition to Project Based vouchers. This approach will allow MPHA to make a commitment that will enable this project to achieve higher scores in PPL and YouthLink's funding proposals.

2017 Update

The number and needs of Homeless youth have continued to grow. Per a request from PPL and YouthLink, MPHA has agreed to extend the number of vouchers from 12 to 25.

Anticipated Impact

This initiative will provide an immediate impact for twenty-five (25) homeless youth in need supportive housing with services who would otherwise be left homeless and without services. YouthLink has an extensive training, education and supportive services and employment program for youth, but lacks the critical housing support necessary to help stabilize their lives. With a site for a new housing project identified and the development process committed to by PPL, the sponsor based vouchers, will provide necessary interim support and stability until the development is completed. The eventual project basing of the vouchers will provide long term support for development and with the supportive housing programs at the site. Including the twelve (12) vouchers provided by MPHA, the partnership between PPL and YouthLink will provide supportive housing for forty-six (46) homeless youth.

Anticipated Schedule

This will support YouthLink's supportive housing program for homeless youth. MPHA continues to work with PPL and YouthLink to detail the funding and operational requirements of the program along with the reporting requirements that respond to the HUD metrics.

Changes in Authorization, Metrics, Baselines, or Benchmarks

MPHA will change the Metrics from 12 to 25 to reflect the increase in vouchers allocated for this initiative. MPHA does not anticipate additional authorizations or changes during the Plan year.

FY2015 ACTIVITY 1: Shelter to Housing - Public Housing (Approved in 2015 - Implementation Pending)

Description of Activity

Minneapolis and Hennepin County are seven years into the ten-year plan to end homelessness. Partner Agencies are working to meet specific housing goals of creating 5,000 housing opportunities. While the partnerships have exceeded the goals for housing opportunities for single adults, we are far behind on our development of units for families. The community has developed less than half of the goal for family housing opportunities, leaving a deficit of over 700 units. Family emergency shelters in Hennepin County have been operating over capacity since April 2011. In 2013 alone, 1,946 families sought refuge in the shelter system. Developing rental housing for extremely low-income families (30%-and below Area Median Income) has become incredibly challenging for a variety of reasons and developers have been unable to successfully build these units. It is imperative that we take every opportunity to increase brick and mortar housing for extremely low income families.

Under HUD's Faircloth limit, Minneapolis Public Housing Authority (MPHA) has the authority to operate 96 additional public housing units over its current stock receiving additional subsidy to support families to be housed in these units.

MPHA is using its Moving To Work (MTW) authority along with Faircloth ACC to create a specialized housing program for families coming out of Homeless Shelters and to limit the time families can utilize this housing for no more than five years to ensure that these developments will turn over and become an on-going resource for homeless families.

2017 Update

MPHA designed a Shelter to Home MTW initiative that was adopted as part of the Agency's original 2015 MTW Plan. Under this initiative, MPHA would use its Faircloth ACC authority to provide subsidy, should the agency secure capital funds to develop additional public housing.

MTW Authorizations:

Attachment C -Bbii: Single Fund Budget with Full Flexibility. Acquisition, new construction, reconstruction or substantial rehabilitation.

Attachment C-B2: Partnerships with For-Profit and Non-Profit Entities. This authorization waives certain provisional Sections 13 and 35 of 1937 Act and 24CFR 941 Subpart F as necessary to implement the Agency's MTW Plan.

Attachment C-C2: Local Preference and Admission and Continued Occupancy Policies and Procedures. This authorization waives certain provisions of Section 3 of the 1937 Act and 24 CFR 960.206 as necessary to implement the Agency's Annual MTW Plan.

Attachment C-C11: Rent Policies and Term Limits. This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C FR 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960-.255 and 966 Subpart A as necessary to implement the Agency's MTW Plan.

Statutory Objectives:

This program will feature the MTW Statutory Objective of Increasing Housing Choices as it will focus on creating an avenue for very low income families in homeless shelters to move into a specialize public housing with services development.

MPHA has been successful in obtaining a 1.1-acre lot to develop sixteen (16) public housing units under this initiative. MPHA has a number of applications for construction funding, and if successful, anticipates construction in the summer of 2017. The Agency anticipates it will be able to house approximately 16 families under this initiative in 2, 3, and 4 bedroom units. The Family Housing Fund is providing funding for MPHA and Hennepin County to do services planning for families who will be participating in this program. The Office to End Homelessness and the University of Minnesota - College of Design will be hosting a forum 'Increased Options for Extreme Affordability' and focusing on this initiative and strategies for successful implementation.

Anticipated Impacts:

MPHA anticipates that this program will create 30 to 50 units in the first five years of the program and begin to bring relief to families who are stuck in shelter to due lack of other affordable housing and in doing will also free up shelter space for other families relegated to be housed in overcrowded, unsafe and/or unhealthy situations. Families targeted for the program will receive ongoing services from Hennepin County and/or their services partners.

Changes in Authorization, Metrics, Baselines, or Benchmarks

MPHA does not anticipate any non-significant changes or modifications, changes to metrics, baselines or benchmarks, or changes to the authorizations during the Plan year.

FY2014 ACTIVITY 1: HCV RENT REFORM INITIATIVE

(Approved and Implemented in 2014)

Description of Activity

It has been two years since Rent Reform has been implemented in MPHA's HCV Program and the results so far have been encouraging. In early 2012, MPHA began evaluating options for streamlining and simplifying the rental subsidy determination and recertification processes while also promoting self-sufficiency for HCV participants. This activity was implemented in January 2014. The initial goal of rent reform was to control costs and eventually achieve savings that would allow us to move families from our waitlist. However, with the advent of sequestration the focus shifted to maintaining assistance for all current families within a severely decreased budget. In 2015, it was decided to increase the payment standards for Rent Reform families to reduce rent burdens. Effective January 1, 2015, MPHA exempted all its Project Base developments from the Rent Reform initiative and from the Agency's MTW Minimum Rent requirements. Many of these developments receive funding from other sources that often require all units in the development have rents restricted to 30% of adjusted income and thus, Rent Reform may cause these developments to be out of compliance with their other funding sources. In 2015, MPHA revised the portability policy, we included moving into Areas of Opportunity as an acceptable reason to port out. In 2015, we also increased the Payment Standards.

The following are the proposed elements of MPHA's revised HCV rent reform initiative.

- 1. Flat Subsidy:** MPHA replaced the standard rent calculation method, regulated by 24 CFR 982.503 and 982.518, with a simplified, flat subsidy model which incorporates consideration for tenant paid utilities. MPHA will determine the subsidy paid to the owner on behalf of the family by using a flat subsidy amount based on household income and bedroom size. In instances where the applicable subsidy is greater than the contract rent, MPHA will cap the subsidy at the contract rent amount, minus the minimum rent of \$75.

MPHA annually reviews, updates and establishes two flat subsidy tables. One table is used when the owner provides heat as part of the rent. The other table is used when the household is responsible for paying heat and includes an adjustment based on average heat costs. Under the flat subsidy model, utility allowance payments are eliminated.

MTW Authorizations:

Attachment C-D1 c. The Agency is authorized to define, adopt and implement a re-examination program that differs from the re-examination program currently mandated in the 1937 Act and its implementing regulations.

Regulations waived: 982.516

Attachment C-D1.g The Agency is authorized to establish its own portability policies with other MTW and non-MTW housing authorities.

Regulations waived: 982 Subpart H

Attachment C-D2 a. The Agency is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the currently mandated program requirements.

Regulations waived: 982.503, 982.508, 982.518

Attachment C-D2 c. The Agency is authorized to develop a local process to determine reasonable rent that differs from the currently mandated program requirements.

Regulations waived: 982.507

Attachment C-D3 b. The Agency is authorized to adopt and implement any reasonable policy for verifying family income and composition and for determining resident eligibility that differ from the currently mandated program requirements.

Regulations waived: 982.516, 982 Subpart E

Other regulations waived: 24 CFR 5.520(c)(2)

Statutory Objectives:

- Reduce cost and achieve greater cost effectiveness in Federal expenditures
- Give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.

2. **Minimum Rent:** As part of the flat subsidy model, MPHA revised the application of minimum rent policies, regulated by 24 CFR 5.630 and discontinued its MTW Activity 2010-2 for the Housing Choice Voucher program. When establishing and updating the flat subsidy tables, MPHA structures the minimum rent, which is currently \$75, into the tables. If a participant's calculated rent amount is less than the minimum rent amount, the participant shall pay the minimum rent to the owner. MPHA has the discretion to revise the minimum rent. If MPHA would like to revise the minimum rent, the revision would be included in an MTW Plan submission to HUD for review and approval prior to implementation. As of January 1, 2015, all Project Based units are exempt from a minimum rent requirement.
3. **40% Affordability Cap:** MPHA eliminated the 40% affordability cap, regulated by 24 CFR 982.508, because under rent reform affordability becomes the responsibility of the family. We do not approve a Request for Tenancy Approval (RFTA) if a participant's rent portion exceeds 50% of their monthly adjusted income without supervisory review and approval.
4. **Revised Asset Income Calculation and Verification Policies:** MPHA revised existing policies on asset verification and calculation, regulated by 24 CFR 982.516. When the market value of a family's asset(s) is below the established asset threshold, initially set at \$50,000, MPHA will exclude income from these assets. When the total asset market value is greater than the established threshold, MPHA will calculate asset income by multiplying the asset's market value by the applicable passbook savings rate. MPHA will allow HCV households to self-certify assets in all instances when the market value of the household's total assets is below the established threshold. MPHA determines the passbook savings rate consistent with HUD requirements.
5. **Interim Re-examinations:** MPHA made the following changes to the interim re-examination policy, regulated by 24 CFR 982.516:
 - a. MPHA limits HCV families to one discretionary interim re-examination between regular annual recertifications.
 - b. Between annual recertifications, household members who are employed are not be required to report increases in earned income.
 - c. For household members who are not employed, if they become employed that must be reported. Additionally, increases in or new sources of unearned income for any household member and changes in household composition must be reported.
6. **Working Family Incentive and Streamlined Deductions and Exclusions:** As part of MPHA's revisions to the standard rent calculation method, MPHA will continue to streamline deductions and exclusions as outlined below.
 - a. **Working Family Incentive:** MPHA will continue to administer the Working Family Incentive, which is a 15% exclusion of earned income for families with minor children.
 - b. **Elimination of Earned Income Disregard (EID):** 2015 was the last year EID was used under the Rent Reform Initiative. Details of EID can be found in the closed-out section of this plan.
 - c. **Eliminate Childcare, Medical Expense and Dependent Deductions:** MPHA is not planning on bringing back the childcare, medical expenses, and dependent deductions when calculating adjusted income for 2017
 - d. **Elderly/Disabled Deduction:** MPHA will maintain the elderly/disabled deduction of \$750.
 - e. **Full-time Student Income:** MPHA is going to exclude 100% of income for adult, full-time students, other than the head of household,

co-head or spouse.

- 7. Changes in Fair Market Rents (FMRs):** MPHA reviews HUD's Fair Market Rents annually and may conduct a research and market analysis on local rents in updating the subsidy tables.

MPHA waives the requirement, outlined in 24 CFR 982.507, that the agency conduct reasonable rent determinations on all HCV units when there is a 5% decrease in the FMR in effect 60 days before the contract anniversary as compared with the FMR in effect one year before the contract anniversary. MPHA will continue to conduct reasonable rent determinations at the time of initial lease-up, at the time of owner rent increases, and at all other times deemed appropriate by MPHA.

- 8. Flat Subsidy Reasonable Accommodation:** As a reasonable accommodation for individuals with qualifying disabilities, MPHA may provide a higher subsidy for accessible units. When an accessible unit is needed for an individual with disabilities and the rent is reasonable, MPHA may increase the subsidy by up to 10% of the flat subsidy amount or a maximum of 120% of the current FMR.

- 9. Portability:** MPHA revised the portability policies, regulated by 24 CFR 982 Subpart H. Participants are approved to port-out of Minneapolis only for reasons related to employment, education, safety, medical/disability, VAWA, Area of Opportunity in the Twin Cities Metro Area, or housing affordability. An Area of Opportunity is defined as a census tract where less than 40% of its residents are at or below 185% of the federal poverty level. Housing affordability means the family wishes to port to a jurisdiction in which the FMR is at least 5% less than the FMR in Minneapolis and the family's rent portion is greater than 40% of their monthly adjusted family income. Families who are denied portability have the right to request an informal hearing.

- 10. Mixed Families:** For families with mixed immigration status, MPHA deducts 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.

Statutory Objectives

Reduce cost and achieve greater cost efficiency in Federal expenditures: Rent Reform helps MPHA use Federal resources more efficiently, and may allow MPHA to serve more families

Rent Reform provides incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational programs to become economically self-sufficient: Rent Reform's incorporation of the Working Family Incentive promotes increased employment among participants who are not currently working and increased earnings among participants who are working

Anticipated Impacts

With the simplification of rent calculations and the limit on interim re-examinations, Rent Reform is reducing the administrative burden involved in processing annual and interim re-examinations and reducing the rate of errors in calculating adjusted income and rent. The staff time saved

through this initiative allows MPHA to increase the focus on program integrity, to monitor zero income families and to ensure that both participants and owners follow program rules. Additionally, staff will have more time to focus on tenant education. This education may include self-sufficiency activities, understanding lease agreements, expanding housing search, connecting to community resources, and exploring educational opportunities. The change to income reporting requirements allows employed family members to keep any increase in their earnings, rather than contributing a portion to their rent, until the time of their annual recertification.

Anticipated Schedule/Changes

Rent reform was implemented January 1, 2014 for most HCV participants. Achievement of the MTW Statutory Objectives is an ongoing and ever-changing process, of which the Rent Reform plays a primary role given the extent of how much of the HCV program rent Reform impacts.

For 2017, MPHA will explore ways to improve the Rent Reform initiative yet does not anticipate making any policy changes for this year.

Data Sources

MPHA will continue to utilize software to monitor the impacts of this activity on household rent and tenant income. Additionally, MPHA may use other methods of assessing the effectiveness of these activities at meeting the stated objectives.

Rent Reform

1. **Board Approval:** The MPHA Board of Commissioners approved this policy as part of the resolution adopting the 2014 MTW Annual Plan.
2. **Impact Analysis:** In developing this initiative, MPHA conducted and presented to its Board a thorough analysis on the potential impacts of this activity on HCV households. The effects of these policies will differ between families. MPHA created hardship policies, as described below, for qualifying families who are adversely affected by the implementation of the initiative.
3. **Annual Reevaluation:** MPHA will reevaluate this activity on an annual basis to ensure that it continues to meet its objectives. As needed, MPHA may revise components of this activity to meet the objectives. The results of the annual reevaluation will be included in subsequent MTW Annual Plans & Reports.
4. **Hardship Case Criteria:** MPHA has established hardship policies related to rent reform, including a Hardship Review Committee, comprised of HCV staff, which will review all hardship requests. Details on each hardship policy are outlined below.
 - a. **Limit on Interim Re-examinations Waiver**
MPHA will advise families who request a second interim re-examination between regular reexaminations that they can request a waiver of the Limit on Interim Re-examinations policy.

A hardship exists when any of the following apply:

- i. The family has lost eligibility for or is awaiting an eligibility determination for a Federal, State, or local assistance program
- ii. The income of the family has decreased because of a significant change in circumstance, including loss of employment
- iii. The death of a family member has occurred affecting a major source of income for the family

b. Minimum Rent Hardship

MPHA will continue to advise families who are paying minimum rent that they can request a hardship exemption from paying minimum rent. To qualify for a hardship exemption, a family must submit the Minimum Rent Hardship Request Form, with supporting documentation as specified on the form, within 15 days of the date of the rent change notice. A hardship that lasts for 90 days or less is a temporary hardship and does not qualify for this exemption. An approved hardship exemption from paying minimum rent is limited to 12 months.

A hardship exists when any of the following apply:

- i. The family has lost eligibility for or is awaiting an eligibility determination for a Federal, State, or local assistance program
- ii. The income of the family has decreased because of a significant change in circumstance, including loss of employment
- iii. The death of a family member has occurred affecting a major source of income for the family

The Hardship Review Committee will decide within 30 days of receiving the Minimum Rent Hardship Request Form and all supporting documentation. MPHA will suspend the Minimum Rent beginning the month following the approval of the request.

Prior to implementation, MPHA may continue to develop specific policies and procedures for hardship requests and may make future revisions to identify and assist families adversely impacted by these policies.

Changes in Authorization, Metrics, Baselines, or Benchmarks

MPHA does not anticipate any non-significant changes or modifications, changes to metrics, baselines or benchmarks, or changes to the authorizations during the Plan year.

FY 2011 – Activity 1 Targeted Project Base Initiative

(Approved in 2011 and phased in implementation with last two projects completed in 2015.)

Description

The Targeted Project Based Initiative was approved in 2011. The first phase of implementation, project basing six (6) HCV vouchers and eleven (11) VASH vouchers at Emanuel Housing as well as five (5) HCV vouchers at Spirit on Lake, was completed in 2013. The second phase of implementation included the completion of fifteen (15) Housing Choice Vouchers at South Quarter Phase IV, four (4) HCVs at The Lonoke, was completed in 2015. The final phase was for ten (10) HCVs at Emerson North Family Housing.

The purpose of this initiative is to create additional affordable housing for low-income families in the City of Minneapolis. MPHA used the MTW waiver to expand the location of project-based voucher programs and to limit voucher awards relative to a proration impact that required creation of additional non-PBV affordable housing. These vouchers were awarded to programs and organizations that proposed developments where there is a high ratio of new affordable units to those subsidized through MPHA's project-based initiative.

Through this initiative, project-basing thirty (30) HCVs and eleven (11) VASH vouchers will leverage 226 unassisted units for a grand total of 267 units of new housing. MPHA has not allocated any funding for the development of the units; the monies MPHA allocated are for voucher assistance when a qualified participant is residing in the PBV unit.

Project	Project-Based Units	Unassisted Units	Total Units
Emanuel Housing	6 HCV 11 VASH	84	101
Spirit on Lake	5	41	46
South Quarter Phase IV (The Rose)	15	86	101
The Lonoke	4	15	19
TOTAL	30	226	267

2017 Update

Construction was completed, HAP contracts were signed for two projects and the units were fully occupied during 2013; Emanuel Housing and Spirit on Lake. The HAP contract for Emanuel was effective August 15, 2013. The six (6) Project Based units were fully occupied in September 2013. The HAP contract for Spirit on Lake was effective September 15, 2013. The five (5) Project Based units were fully occupied in September 2013. MPHA erroneously removed the Lonoke project that included four (4) Project Based Voucher (PBV) units in the 2014 plan and reestablished this

MTW Authorization: This provision waives certain provisions of Attachment C Section D 7 b 24C.F.R. 983.51; Section D 7 c; 24C.F.R. 983.57; and Section D 7 d. Section 8(o)(8) of the 1937 Act and 24C.F.R. 982 Subpart I

Statutory Objective:

Increases housing choices

project in the 2015 MTW Plan. This change increased the total PBVs awarded to thirty (30) and creates 267 new affordable housing units, which includes the PBV units. The Subsidy Layering Review (SLR) for Lonoke and South Quarter Phase IV (The Rose) were submitted to Minnesota Housing Finance Agency (MHFA) and HUD for review and approval in July of 2014. Construction was completed, HAP contracts were signed for the two remaining projects, Lonoke and SouthQuarter Phase IV (The Rose) in 2015. The HAP contract for Lonoke was effective November 1, 2015. The four (4) Project Based units were fully occupied in November 2015. The HAP contract for South Quarter Phase IV (The Rose) was effective October 1, 2015. The fifteen (15) Project Based units were fully occupied in January 2016 (twelve (12) in October 2015; one (1) in November 2015 and two (2) in January 2016).

MPHA was notified on December 7, 2015 that Beacon's (Families Moving Forward) Board voted on June 10, 2015 to remove Emerson North as an active project from their project pipeline and release the ten Section 8 PBVs that had been awarded from MPHA to the project.

MPHA's Targeted Project Based Initiative created a total of 267 units, which include the 30 PBV units. The total number of units without housing assistance that MPHA leveraged using the 30 project based vouchers is 226.

Changes in Authorization, Metrics, Baselines, or Benchmarks

The metrics now will reflect the changes in PBV units. All the PBV units are in full implementation for 2017. MPHA will not request any additional authorizations for any of the changes in the Targeted Project Based initiative for 2017.

FY2011 - Activity 2: Soft Subsidy Initiative
(Approved in 2011 and implemented in 2013)

Description

MPHA entered an agreement with Alliance Community Housing with set subsidies for special conditions that are also time limited and flexible in amount and duration (lasting up to five years). These subsidies are structured to incentivize work so that the household is better off financially if the parent works and not penalized if they work. While it is difficult for many parents to move to work and then to better-paying work, parents who do move to work show increasing self-esteem and pride, find their work a source of meaning and support, and an activity that instills structure which is good for their kids and introduces the family to a working (or middle class) life. Studies show that parents who work are good for their children: children from families where the parent works do better in school. This program will not involve reduction in the number of Section 8 Voucher but will be funded out of MTW flexible funds. MPHA will enter into an Agreement with Alliance Community Housing that will detail the terms and conditions of this initiative.

Alliance Community Housing provided high quality housing to twenty (20) homeless or formerly homeless families in 2012. Most of these families are multi-generationally poor, African American, single parents with little to no work history. Many have little education, poor rental history and some have criminal histories. The program's goal is to get the parents off government assistance and into the working class.

The subsidies provided under this initiative are structured to make work more attractive and less risky. The intensive staff contact provided through Alliance Community Housing with families helps them with logistical problems as well as questions and concerns that might lead them to give up if unaddressed.

2017 Update

In 2013, MPHA executed the agreement with Alliance Community Housing for the Soft Subsidy Initiative. The intake process for families began in 2013; nineteen (19) families were active as of January 2014. All twenty available spaces are filled by active families. In 2015, the Alliance Housing-Northside Supportive Housing for Families (NSHF) Initiative received the national NAHRO Award of Merit in the 'Housing and Community Development' category.

Modifications to Initiative

This initiative was scheduled to end in 2018; however, MPHA has chosen to extend the Alliance Housing – NSHF initiative for an additional five (5) years because the initiative has proven to be highly successful for the families.

MTW Authorization:

The authorization utilizes the authority allowed in the amendment to Attachment D "broader uses of funds authorization" which HUD has approved.

Statutory Objective:

Self Sufficiency.

Metrics

MPHA has made changes to this implemented activity regarding the Statutory Objectives. The primary focus is self-sufficiency as evidenced by our current metrics; therefore, we are removing the metric of expanding housing choice, which was erroneously placed in the plan.

Changes in Authorization, Metrics, Baselines, or Benchmarks

MPHA does not anticipate any non-significant changes or modifications, changes to metrics, baselines or benchmarks, or changes to the authorizations during the Plan year.

FY2010 – Activity 1: Public Housing Working Family Incentive (Approved and implemented in 2011)

Description

The MPHA Public Housing implemented a Working Family Incentive in an effort to increase the income and asset level of families in which any adult member is employed. The rent calculation contains an automatic fifteen percent deduction from the gross annual earned income of each wage earner in the family. This deduction provides the Working Family with available money to support work related costs, including, but not limited to transportation, uniforms, and health insurance premiums.

MPHA believes this initiative promotes self-sufficiency. We expect to see an increase in income to those employed and provide a push to those unemployed, yet able to work, to seek employment. This initiative is automatically available to all public housing residents who work.

2017 Update

MPHA has had good results with this initiative over the past few years. During 2015, the average income of those employed increased, the number of households employed also increased. At the end of 2015, there were 1,449 public housing households with earned income, an increase of 4.4% over 2014, while the average earned income of those households increased to \$22,051. MPHA had no requests for hardship under this initiative.

For those families who continued work, this activity increased the Working Family's level of disposable income and enhanced the likelihood that the family would achieve a livable wage and move toward self-sufficiency.

There was a financial impact on the low-rent program for 2015 because the change in calculation results in changes to the amount of rent paid; due to a proration in subsidy, MPHA will experience a loss of revenue. MPHA will report on the 2016 impact in the 2016 MTW Report.

MPHA will continue this activity in 2017 for public housing residents. MPHA is not using outside evaluators for this activity.

Changes in Authorization, Metrics, Baselines, or Benchmarks

MPHA does not anticipate any non-significant changes or modifications, changes to metrics, baselines or benchmarks, or changes to the authorizations during the Plan year.

MTW Authorization:

MTW Amended and Restated Agreement – Attachment C [C11 – Authorizations related to public housing only - Rent Policies and Term Limits]; This authorization waives certain provisions of Sections 3, 6, 7, 16 and 31 of the 1937 Act and 24 CFR 945 Subpart C, 960 Subparts B, D, E and G as necessary to implement the Agency's Annual MTW Plan and [D2 – Authorizations related to Section 8 only – Rent Policies and Term Limits] This authorization waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 CFR 982.508, 982.503 and 982.518 as necessary to implement the Agency's Annual MTW Plan.

Statutory Objective:

Provide incentives to families to obtain employment and become economically self-sufficient.

FY2010 – Activity 2: Minimum Rent Initiative for Public Housing Residents
(Approved in 2010 and implemented in public housing in 2011)

Description

Tenants moving into public housing will pay the minimum rent that is in effect at the time of lease up. This initiative would increase the minimum rent of existing public housing tenants at the first annual or interim re-exam following:

January 1, 2010	\$75.00
January 1, 2014	\$75.00
To Be Determined	\$100.00
To Be Determined	\$125.00
To Be Determined	\$150.00

This would not apply to households in which all members are either elderly and/or disabled, and whose sole source of income is Social Security, SSI or other fixed annuity pensions or retirement plans. Those households would continue to pay 30% of their adjusted gross income.

2017 Update

MPHA's Public Housing Low Rent Program implemented the minimum rent initiative in 2011. The current minimum rent is \$75 per month. MPHA is not currently considering an increase to the minimum rent. Resident feedback demonstrates that an increase would create undue hardship for many residents. MPHA will decide at a future date when to increase the minimum rent further. MPHA has determined that the increase in the minimum rent has not resulted in increased self-sufficiency and has deleted it from the Statutory Objectives. When MPHA decides to increase the minimum rent, residents will be notified and given the required period to comment. This will be done during the MTW Plan review.

MPHA continues its hardship exemption program in Low Rent Public Housing.

Changes in Authorization, Metrics, Baselines, or Benchmarks

The benchmark will be changed to better reflect MPHA's experience as we did in 2015.

MTW Authorization:

MTW Amended and Restated Agreement – Attachment C [C11 – Authorizations related to public housing only - Rent Policies and Term Limits]; This authorization waives certain provisions of Sections 3, 6, 7, 16 and 31 of the 1937 Act and 24 CFR 945 Subpart C, 960 Subparts B, D, E and G as necessary to implement the Agency's Annual MTW Plan and [D2 –

Statutory Objective:

Reduce cost and achieve greater cost effectiveness in federal expenditures.

FY2010 – Activity 4: MPHA Lease -to-Own Initiative (Sumner Field Townhomes)
(Approved in 2010 and phased in implementation 2012-2014)

Description:

MPHA utilized funds from its ARRA Formula Grant, to purchase twenty (20) townhome development units to create a Lease-To-Own Initiative where qualified public housing residents, Section 8 participants, families on both waiting lists, as well as, MPHA and City of Minneapolis employees and others who qualify for public housing to have an opportunity to initially rent and subsequently purchase these units. This activity was initially referred to as 'The BrightKeys' after BrightKeys Development; however, the developments are legally named Sumner Field Townhomes.

2017 Update

In January 2016, MPHA had nineteen (19) of its twenty (20) units under lease; however, at the end of June, two leases were terminated for non-payment bringing the number of units occupied to seventeen (17). Several applications are being processed; and it is anticipated that all units will be filled by year-end. All new Lease-To-Own tenants are required to participate in MPHA's MTW savings match program and must work with the agency's Lease to Own staff to develop a specific plan to purchase their unit within the five-year timeframe called for in the MPHA's MTW Lease-To-Own initiative. It is anticipated that four households will purchase in 2016, with an additional four households to purchase in 2017.

Vacancies arising due to tenant inability to meet Lease-To-Own requirements, are to be filled with apparently eligible applicants from MPHA's site-based waiting list. MPHA will continue this initiative until all units are purchased by participating families.

Changes in Authorization, Metrics, Baselines, or Benchmarks

MPHA will change the benchmark to reflect the number of households anticipated to purchase in 2017.

MTW Authorization:

MTW Amended and Restated Agreement – Attachment C [C1 – Site Based Waiting List; C7 a and b – Simplification of the Development and Redevelopment Process for Public Housing . . . “establish reasonable low-income homeownership programs such as lease-to-own . . .” This authorization waives certain provisions of Section 6(r) of the 1937 Act and 24CFR 903.7 and certain provisions of Section 6(c) of the 1937 Act and 24 CFR 960.201 as necessary to implement the Agency's Annual MTW Plan

Statutory Objective:

Provide incentives to families to obtain and keep employment and become economically self-sufficient and increase housing choices.

FY2009 - Activity 2: Recertify Elderly or Disabled Public Housing Resident Families Once Every Three Years Instead of Annually
(Approved in 2009 and phased in implementation through 2012)

Description of Activity

MPHA certifies families who are elderly or disabled and who are on a fixed income every three years instead of annually. This saves time and effort for these residents and helps MPHA to more effectively target its resources.

This measure reduces costs and enables MPHA to focus staff resources on other critical needs. After implementation, many elderly and disabled residents have favorably commented on this initiative. MPHA is utilizing EIV to assist with monitoring incomes and outcome metrics for this initiative.

Update

MPHA phased this in over a three-year period and it is now fully implemented. MPHA recertifies residents every three years according to a schedule that allows one-third of impacted residents to be recertified every year. It is estimated that 3,000 residents will benefit from this MTW activity annually.

This activity has reduced the number of annuals done per Eligibility Technician (ET) allowing the ET's to follow up on long-term minimum renters and MPHA's high number of interim recertification requests. MPHA will continue this initiative in 2017.

Changes in Authorizations, Metrics, Baselines or Benchmarks

MPHA does not anticipate any non-significant changes or modifications, changes to metrics, baselines or benchmarks, or changes to the authorizations during the Plan year.

MTW Authorization:

Initial, Annual and Interim Income Review Process: Provided in Attachment C Section C 4. This Section waives certain provisions of Sections 3(a) (l) and 3 (a) (2) of the 1937 Act and 24 C.F.R. 966.4 and 960.257, as necessary to implement the Agency's Annual MTW Plan.

Statutory Objective:

Reduce costs and achieve greater cost effectiveness. MPHA anticipated this change would save the agency time and allow better utilization of its resources and believes this change also provides a significant benefit to its residents.

**FY2009 – Activity 6 (Amendment): Section 8 HCV Mobility Voucher Program
(Approved in 2009 and implemented in 2010)**

Description of Activity

MPHA created a Mobility Voucher program to encourage low-income families to move to Areas of Opportunity and find affordable housing in an environment conducive to breaking the cycle of poverty. An Area of Opportunity is defined as a census tract where less than 40% of its residents are at or below 185% of the federal poverty level. Participants will not be allowed to port out to Areas of Concentrated Poverty or Racially Concentrated Areas of Poverty. This initiative responds to HUD's goal of deconcentrating families who live in poverty and Affirmatively Furthering Fair Housing. The program was structured to increase housing choices for families on the MPHA Section 8 Waiting List and current program participants who lived in Areas of Concentrated Poverty or Racially Concentrated Areas of Poverty and assist them in finding affordable housing in Areas of Opportunity. MPHA has created an appendix to its Section 8 Administrative Plan that details the specific elements of this initiative.

The Mobility Voucher Program was redesigned in 2015. Before the Mobility Program was redesigned, there were no incentives in place to encourage families to enter a Voucher Program that's more restrictive such as the Mobility Voucher Program (MVP).

The Material Incentives added are:

- Three 31-day Go-To-Cards (\$340.5 value)
- \$75 Application Fee Assistance
- \$50 Moving Assistance
- \$500 Security Deposit assistance
- Increased Payment Standards/HAP subsidy

Other Program Revisions included:

1. Expanding the housing search area to include the seven county Twin Cities metropolitan area; however, the unit must still be determined to be located in an Area of Opportunity.
2. The Mobility Community Services Coordinator will conduct all eligibility and intake activities along with conducting the case management activities with the Mobility Families. This includes administering the new Mobility Needs Assessment of the families.

MTW Authorization:

Waiting List Policies: Provided in Attachment C Section D4. This Section waives certain provisions of Sections 8(o)(6,8(o)(13) and 8 (o) (16) of the 1937 Act and 24 C.F.R. 982

Subpart E, 982.305 and 983 Subpart F, as necessary to implement the Agency's Annual MTW Plan.

Statutory Objective:

Increase housing choices. Provides incentive for waiting list families and current Section 8 participants to move into non-poverty concentrated areas.

3. The Mobility Needs Assessment is designed to identify the barriers and strengths the participant has in making an opportunity move so the Mobility Community Services Coordinator can customize the best case management strategy to help the Mobility Participant successfully move to an Area of Opportunity. The areas that will be included in the Mobility Needs Assessment are the following,
 - a. Family Composition and information
 - b. Education
 - c. Employment
 - d. Life Barriers
 - e. Strengths
 - f. Financial Outlook
 - g. Rental Experience/History
 - h. Transportation
 - i. Housing Preferences and Goals
4. In addition, there will be a Mobility Community Engagement Specialist who will oversee the external aspects of the Mobility Program including landlord outreach, advocacy, network building, identifying community resources and collaborating with the Mobility Coordinator on participant moves.
5. MPHA offers numerous material incentives to garner participation, achieve greater access and a successful lease up of a family into an Area of Opportunity. These incentives are transportation assistance, application fee assistance, security deposit assistance and moving assistance.
6. The Mobility Voucher Participants will receive higher payment standards than the standard HCV or Rent Reform Programs, specifically between 100% and 110% (depending on the budget and market) of HUD FMRs.
7. Eventually, the Mobility Voucher Program will be made available to qualified current HCV Rent Reform families.
8. MPHA developed a Mobility Program Performance Measurement System (PPMS) which will include the evaluation of how inputs and outputs lead to tangible outcomes and achievement of our set out goals. The metrics of the PPMS are designed to capture quantitative data on the objectives that the Mobility Program wants to accomplish. The metrics will cover six areas, landlord outreach, participant targeting, pre-search counseling and housing search. Since these areas are most critical to the success of the Mobility Program the PPMS must track progress in these topic areas quantitatively. Once the newly redesigned Mobility Voucher Program gets up and running, evaluation activities will begin. After the family moves into an Area of Opportunity, the Mobility Community Services Coordinator will conduct post move checks-ins biannually to ensure that the families are making a smooth transition. The Mobility Community Services Coordinator will be available for case management of the family after lease up.

Anticipated Changes

The new changes are still in the implementation stage, but we anticipate that these changes will enhance and expand the Mobility Voucher Program especially in light of Affirmatively Furthering Fair Housing. Additionally, bringing onto the program the Community Engagement Specialist and the new Mobility Community Services Coordinator will be critical for the growth of the Mobility Voucher Program.

Changes in Authorization, Metrics, Baselines, or Benchmarks

MPHA does not anticipate any non-significant changes or modifications, changes to metrics, baselines or benchmarks, or changes to the authorizations during the Plan year.

NOT YET IMPLEMENTED ACTIVITIES

FY2016 ACTIVITY 2: Reintegration of Offenders (Prison to Home) (Approved in 2016)

Description of Activity

This program supports a partnership with Beacon, Better Futures and MPHA that provides training, employment, family unification, and housing assistance to men coming out of prison. Through this collaborative, MPHA will provide subsidy through voucher funding and Better Futures will provide housing (during the sponsor base voucher portion of the initiative), work experience, training and employment opportunities for men coming out of prison. Beacon will provide housing during the Project Base Voucher phase of the program. These organizations will also provide various social and supportive services that will help the men reunify with their families and establish civic pride and ties to their communities once they enter the program.

Participants are selected in three ways:

- Referred to Better Futures through the Coordinated Entry process.
- MN Dept. of Corrections identifies applicants at least 30 days before they are released from prison.
- Walk-in applicants, either self-referred or referred from other community resources. Participant portion of rent is determined in three phases:
 - In phases one and two, the participant will be living in the Better Future's guest house where thirty-two (32) of MPHA's vouchers will be utilized. For the first month, the participants pay nothing and are introduced to their jobs in the warehouse. After the first month, the participants will pay \$100 a month for rent in \$25 weekly installments. When the participant reaches Phase three, they will move out of the guest house and into a market rate unit that is operated by a community partner of Better Futures. In these units, the participant pays 30% of their income towards rent.
- MPHA pays a flat subsidy to Better Futures to cover costs of housing and services for each sponsor based participant in the program.

A permanent site for this new development has already been identified in the North Loop area of Minneapolis. It has neighborhood and city council member support; however, funding for the development is still in progress. MPHA will use its MTW authorizations under the "broader uses of funds" which HUD has approved to provide forty (40) sponsor-based vouchers awarded as 'soft subsidy' which would be administered through the partnership between Better Futures and Beacon on behalf of the men. As Beacon and Better Futures move to the construction phase of the

MTW Authorization:

The authorization utilizes the authority allowed in the amendment to Attachment D "broader uses of funds authorization" which HUD has approved.

Attachment C D 1 related to Section 8 HCV only - Operational Policies and Procedures.

Statutory Objective:

This program will feature the MTW Statutory Objective of Increasing Housing Choices as it will focus on creating an avenue for very low income persons coming out of prison to move into a specialized housing program with services.

development, MPHA will, consistent with the competitive requirements for project basing vouchers, create an opportunity for the sponsor based voucher partners to transition to Project Based vouchers. While HUD has approved this initiative as part of MPHA's 2016 MTW Plan, the forty (40) sponsor based vouchers are still on hold pending a HUD decision on MPHA's waiver of a conflict of interest and/or granting of a Hardship Waiver. This commitment to this transition would greatly assist in the final stages of securing additional funding for this project, as this commitment by MPHA would greatly enhance the scoring from various funders.

Anticipated Impact

This initiative will provide an immediate impact to up to forty (40) offenders coming out of prison in need supportive housing with services who would otherwise be left homeless and without services needed for successful reintegration into the community. Better Futures has an extensive training, supportive services and employment program for men coming out of prison, but lacks the critical housing support necessary to help stabilize these men's lives. With a site for a new housing project identified and the development process committed to by Beacon, the sponsor based vouchers, will provide necessary interim support and stability until the development is completed. The eventual project basing of the vouchers will provide long term support for development and with the supportive housing programs at the site.

Anticipated Schedule

The Sponsor Based 'Soft Subsidy' Vouchers will begin shortly after a determination from HUD on MPHA's waiver or hardship exemption request. MPHA will enter an Agreement with Better Futures that will detail the funding and operational requirements of the program along with the reporting requirements that respond to the HUD metrics.

2017 Update

Due to a possible conflict of interest and MPHA request for a waiver and/or a hardship, there has been no implementation activity on this initiative in 2016. Once HUD provides a final determination, MPHA will modify the initiative to reflect HUD's determination.

Changes in Authorization, Metrics, Baselines, or Benchmarks

MPHA does not anticipate any non-significant changes or modifications, changes to metrics, baselines or benchmarks, or changes to the authorizations during the Plan year.

FY2010 – Activity 3: Conversion of 312 Mixed-Financed public housing units to Project Based Section 8

Description (Approved in 2010 and Not Yet Implemented)

MPHA intends to utilize MTW authority to convert 312 mixed-finance public housing units of which MPHA neither owns nor manages, to Section 8 Housing Choice Vouchers and then project base these units in the same mixed-finance development. For the 200 Heritage Park units, MPHA will also waive the current requirements limiting project based units to a certain percentage of the development.

MPHA intends to utilize MTW authority and the voluntary conversion or disposition process to convert 112 mixed-finance public housing units which MPHA neither owns nor manages to Section 8 Housing Choice Vouchers and then project-base these units in the same mixed-finance development. While MPHA would follow standard program rules for voluntary conversion or disposition, MTW authority may be used to project-base the affected units without the competitive process otherwise required.

2017 Update

MPHA completed an application to HUD for conversion of its 200 public housing units in Heritage Park through HUD's Rental Assistance Demonstration (RAD) program. MPHA will use MTW authority as needed to address the limitations on project basing more than 20% of the units in a development and other areas that may need regulatory relief as MPHA goes through this process.

HUD has approved a CHAP for conversion of the 200 Heritage Park units to Project Based Rental Assistance (PBRA). MPHA expects to convert these units in 2017 if HUD approves the Amendment to MPHA's 2015 MTW Plan and the RAD Finance Plan.

The process has been slow due to intricate negotiation involving HUD Public Housing, HUD FHA, the ownership entities and MPHA. Once approval of the Financing Plan and closing is scheduled, MPHA will move this to the "Implemented Activities" status or note the closing in its 2018 MTW Plan or 2017 MTW Report.

Also, note as no activity has been initiated regarding the other 112 units, this portion will remain in "Not Yet Implemented" status until MPHA decides whether to continue to pursue.

MTW Authorization:

MTW Amended and Restated Agreement – Attachment D [B1] Attachment C [D Authorizations related to Section 8 housing choice vouchers only/ 2. Rent Policies and Term Limits, and 7. Establishment of an Agency MTW Section 8 Project-Based Program] This authorization waives certain provisions of Sections 3, 6, 7, 16 and 31 of the 1937 Act and 24 CFR 945 Subpart C, 960 Subparts B, D, E and G as necessary to implement the Agency's Annual MTW Plan and [D2 – Authorizations related to Section 8 only – Rent Policies and Term Limits] This authorization waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 CFR 982.508, 982.503 and 982.518 as necessary to implement the Agency's Annual MTW Plan.

Statutory Objective:

Reduce costs and achieve greater cost effectiveness in Federal expenditures and increase housing choices.

CLOSED OUT ACTIVITIES

FY 2013 Activity 1: MPHA – Hennepin County Interim Housing Demonstration Initiative Approved in 2013 - Implemented in 2014 – Closed out in 2016.

Description of Activity

MPHA is partnering 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. In PIC, MPHA will change the classification of these 8 units to MTW neighborhood services units.

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. Hennepin County refers participants to the program and provides MPHA with income verification data to ensure compliance with public housing eligibility criteria. Hennepin County will determine the length of stay based upon the health and support needs of the participants. No stay will exceed four months. Hennepin County will be responsible for identifying housing assistance once the participant completes their temporary stay.

MPHA will provide the housing units, perform work orders and maintain common areas Hennepin County would provide staffing and supportive services, house-keeping and other interventions as needed for participants. Hennepin County would provide a payment to MPHA for use of the housing units.

Update

MPHA implemented this program on January 2, 2014. There have been two (2) units occupied by seven (7) individuals, in this program thus far. Unfortunately, the need for this program has not met expectations. The promotion of this program was the responsibility of Hennepin Health which had access to the doctors, clinicians and staff who could refer participants. Hennepin Health has since canceled this contract with MPHA and the program has ended.

MTW Authorization:

This initiative invokes certain provisions of Attachment D ‘Broader Uses of Funds authority;
Attachment C – B 2. Partnerships - This authorization waives certain provisions of Sections 13 and 35 of the 1937 Act and 24 CFR 941 Subpart F as necessary to implement the Agency’s Annual MTW Plan.

Statutory Objective:

Achieving greater cost effectiveness in federal expenditures. The MPHA partnership reduces significantly federal expenditures of Medicaid and Increases Housing Choice. Without this program most of these participants would remain hospitalized, become homeless and/or be forced to live in vulnerable conditions without supportive services.

FY2013 Activity 2: Alternate Income Verifications Approved in 2013 – Not Implemented – Closed out in 2017.

Description

MPHA faces a dilemma regarding verification requirements in Notice PIH 2008-44 (HA) and the successful operation of its Housing with Services / Assisted Living public housing programs regarding verification of incomes. There are instances where a potential HWS / Assisted Living public housing resident must be quickly approved for public housing or otherwise would remain in the hospital, be sent home or to a relative without appropriate care or transferred to a nursing home or other non-public housing assisted living provider. These actions potentially put vulnerable persons at risk, cost additional local, state and/or federal dollars, and threaten the stability of MPHA's Assisted Living programs in that apparently eligible persons are delayed from moving in due to HUD's income verification and asset verification requirements. For example, Social Security verification can take 10 days, and are only sent to the requestors address, not to MPHA. Potential residents with vulnerabilities may not be at their home to get the verifications, may forget to open them, etc. and the placement into assisted living can be delayed. This results in a loss of a placement and threatens the viability of assisted living at a PHA development. Loss of this vital resource then puts vulnerable residents at risk, results in others having to go to nursing homes, emergency rooms, hospitals etc. and results in significantly higher taxpayer costs.

- These clients often come from a situation where the person may be homeless, has no family etc. many times they cannot find or access verifications of income or assets or because of physical or mental state cannot access this information timely.
- MPHA believes that if an applicant is eligible and has income information, such as SSI income with another unit of government, e.g. State/County Medicaid, Food Stamp program etc. 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. If there is a small discrepancy in actual income, for example an increase in SSI or SSA since the county last verified income, that can be taken care of with a correction, in the same manner as a mistake in rent calculation.

MTW Authorization:

This initiative invokes certain provisions of Attachment C - C 2. Local Preferences and Admission and Continued Occupancy Policies and Procedures This authorization waives certain provisions of Section 3 of the 1937 Act and 24 CFR 960.206 as necessary to implement the Agency's Annual MTW Plan; Attachment C - C 4. Initial, Annual and Interim Income Review Process. This authorization waives certain provisions of Section 3 (a) (1) and 3 (a) (2) of the 1937 Act and 24 CFR 966.4 and 960.257 206 as necessary to implement the Agency's Annual MTW Plan.

Statutory Objective:

As an MTW Initiative, this activity addresses the statutory objective of expanding housing choices by providing a supportive and/or housing with services option to persons who would otherwise be required to remain in the hospital, nursing home or remain in an extremely vulnerable living situation without necessary assisted living or other needed services.

Update

This initiative went into effect in January of 2013 and MPHA did not need to use this to house residents so MPHA moved the Activity to 'Not Yet Implemented'. MPHA was hopeful as it opened its new acute assisted living-memory care program at its Signe Burkhardt development to utilize this initiative for quickly processing vulnerable persons for housing in the program, but MPHA did not need to utilize this initiative to house persons in the program. MPHA will move this activity to the 'Closed Out Activities' category for MTW activities.

Anticipated Impacts:

The primary purpose of this activity is 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. This activity will permit extremely vulnerable persons who are in desperate need of both public housing and Assisted Living and/or Housing with Services to be admitted to public housing without delay. It will also support service providers with continuity of placement that will allow them to meet their operations costs that are continually threatened by program vacancies. It is a win for potential residents, MPHA and Assisted Living/Housing with Services providers.

Activity 2012-1: Biennial Housing Quality Standards Inspections for Multifamily Complexes
Approved and implemented in 2012 – Closed out in 2014

Description:

HUD's approval of MPHA's 2012 MTW Plan gave us 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.

Changes or Modifications

Section 220 of the 2014 Congressional Appropriations Act "allows 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 therefore, the Agency is closing out this activity as MTW authority is no longer required.

MTW Authorization:

This provision invokes certain provisions of Attachment C generally and including Section B1b.iv; Section D 5 and waives certain provision of Section 8(o)(8) of the 1937 Act and 24C.F.R. 982 Subpart I (See Attachment III for MPHA's Inspection Self-Certification Overview and Form).

Statutory Objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Activity 2012-2: Earned Income Disallowance Simplification (HCV Program)
Approved and Implemented in 2012 – Closed out in 2016.

Description of Activity

In the Housing Choice Voucher Program, Federal Regulations allow families whose head of households are 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 has created a full two-year income disregard for eligible families and eliminated the administrative hardship and time consuming monitoring.

Anticipated Changes

Current EID participants have received the income disregard until their two-year period ended by the close of the calendar year 2015 because all the participants who were using EID reached the end of their allowable time.

MTW Authorization:

This provision invokes certain provisions of Attachment C generally and including Section D 3 a, and b. and waives certain provision of Section 8(o)(4) of the 1937 Act and 24C.F.R. 5.603, 5.609, 5.611, 5.628 and 982.201, 516 and 982 Subpart E as necessary to implement the Agency's MTW Plan.

Statutory Objective:

As an MTW initiative this activity addresses the statutory objective of achieving greater cost effectiveness in federal expenditures.

FY2011 – Activity 3: Absence from Unit Initiative (Amendment to the FY2011 Plan)
Approved and implemented in 2011 – Closed out in 2017.

Description

HUD approved the Absence from Unit Initiative as an amendment to MPHA's 2011 MTW Plan. This initiative disallows a rent reduction for residents who have a temporary loss of income related to an extended absence from the unit defined as thirty days or more. For example, a tenant may quit a job to be away from the unit or have their government benefits terminated because of travel outside of the country. This voluntary action would have resulted in a loss of income and consequently, a reduction in rent. MPHA believes such voluntary action should not result in increased Federal expenditures to support this family.

Update

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 of the United States. After several years of experience and a 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 and recommended to its Board that this initiative be closed out. This activity was never implemented in the Section 8 HCV Program. Given the limitations on rent re-certifications in the Rent Reform, MPHA has evaluated this initiative and has determined it extraneous for its Housing Choice Voucher Program.

MTW Authorization:

MTW Amended and Restated Agreement – Attachment C [C11 – Authorizations related to public housing only – Rent Policies and Term Limits]. This authorization waives certain provisions of Sections 3, 6, 7, 16 and 31 of the 1937 Act and 24 C.F.R. 945 Subpart C, 960 Subparts B, D, E, and G as necessary to implement the Agency's Annual MTW Plan and [D2 – Authorizations related to Section 8 only – Rent Policies and Term Limits]. This authorization waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. § 982.508, §982.503 and §982.518 as necessary to implement the Agency's Annual MTW Plan.

Statutory Objective:

Reduce cost and achieve greater cost effectiveness in federal expenditures.

FY2010 – Activity 5: Foreclosure Stabilization Project Based Voucher Demonstration Program

Approved in 2010 and phased in implementation through 2012 – Closed out in 2017.

Description of Activity.

The Foreclosure Stabilization Initiative allows MPHA to expand and increase housing choices and secure operational stability for a program developed by Project for Pride in Living (PPL) to purchase, rehab and rent out units that had been subject to foreclosure.

Applicants for participation in this program will be recommended by PPL pursuant to the funding requirements under PPL's CDBG and ARRA funds with priority going to referrals that are also on MPHA's Section 8 HCV waiting list. MPHA's Section 8 HCV waiting list will have a 'remains open' clause for specific referrals for this program

Update

All twenty-one (21) units remained occupied in 2014. It is expected that all units will remain occupied and remain active in 2016 as a preserved unit of affordable housing. In 2013, MPHA won a NAHRO Award of Merit for implementing this program.

This activity now becomes part of the Section 8 HCV regular project based program and MPHA will no longer need to use MTW authority so it is being moved to 'Closed Out' activities.

MTW Authorization:

MTW Amended and Restated Agreement – Attachment C: D Authorizations related to Section 8 housing choice vouchers only; 7 b and c : These authorizations waive certain provisions of 24CFR 983.51 as necessary to implement the Agency's Annual MTW Plan and Site selection standards set forth in 24CFR Section 1983.57

Statutory Objective:

Increase Housing Choices: This will enable very low income families who are at risk of homelessness to secure housing and also help achieve greater cost effectiveness in federal expenditures by helping to secure the investments of the Federal NSP program expenditures and providing a stable operating fund for the purchased and rehabbed developments.

FY2009 – Activity 1: Block Grant and Fungible Use of MPHA Resources

Approved and implemented in 2009 – Closed out in 2017.

Per HUD direction, this Activity is addressed in Section V: Sources and Uses of Funding.

FY2009 – Activity 3: Combine MPHA’s Current Homeownership Programs into a Single MTW Initiative with a Foreclosure Prevention Component

Approved and Implemented in 2009 – Closed out in 2012.

Description of Activity

Under MTW, MPHA’s homeownership initiatives, Home Ownership Made Easy (HOME) and Moving Home (Section 8 Homeownership Demonstration Program) was revised and combined with a new Foreclosure Prevention Initiative that is designed to assist some low-income families in avoiding foreclosure.

This program combines the funding for counseling and all activities leading to purchase through MPHA’s MTW homeownership initiatives, along with post-purchase follow-up efforts. Program participants are offered an opportunity to purchase their homes with Section 8 support or to utilize a significant down payment assistance offered through a partner agency and purchase without Section 8 assistance. The participant with assistance from the contracted counselor and the lending institution will select a purchase option.

Update

MPHA discontinued this program in 2012 due to federal funding cutbacks in its housing programs.

MTW Authorization:

Continuation of Previously Authorized Activities: Provided in Attachment D; A This Section waives certain provisions of Sections 8, 9 and 23 of the 1937 Act and 24 C.F.R.941, 982, and 984 as necessary to implement the Agency’s Annual MTW Plan.

Statutory Objective:

Expand housing choices and Self-sufficiency. Will allow public housing residents and Section 8 participants to move into home ownership with Section 8 assistance.

Provides incentives that support self - sufficiency goals.

FY2009 – Activity 4: (Rent Reform) Public Housing Two Year Income Disregard

Approved in 2009 and implemented in 2010 – Closed out in 2017.

Description of Activity

Federal regulations allow certain families 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 full two-year income disregard for eligible families, which eliminated the administrative hardship and time consuming monitoring.

This MTW initiative enables MPHA to reduce costs and achieve greater cost effectiveness. In addition, it provides an incentive for families to maintain employment because the program is limited to two years. By maintaining employment, they receive a full disregard for two years instead of the full disregard for one year and a 50% disregard for the second year.

MPHA has adopted changes to the ACOP and implemented this initiative. MPHA estimates that 200 families will take advantage of this program. MPHA will track the families on this program and after two years evaluate its success. MPHA is utilizing EIV to assist with monitoring incomes and outcome metrics for this initiative.

Update

In light of the PIH 2016-05, MPHA is closing out this activity as it does not need MTW Authority to continue this activity.

MTW Authorization:

Rent Policies and Term Limits: Provided in Attachment C Section C 11. This Section waives certain provisions of Sections 3(a)(2) and 3 (a) (3)(A) and Section 6(1) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.632, 5.634 and 960.255 and 966 Subpart A, as necessary to implement the Agency's Annual MTW Plan.

Statutory Objective:

Reduce costs and achieve greater costs effectiveness and gives incentives to families to obtain employment. Allows MPHA to reduce costs and focus staff resources on other agency needs. Gives families incentive to work by disregarding the incremental earnings of qualified families.

FY2009 – Activity 5: Implement a New Public Housing Family Self-Sufficiency Program
Approved and Implemented in 2009 – Closed out in 2012.

Description of Activity

MPHA has implemented a new public housing Family Self-Sufficiency (FSS) program targeted for families who seek to become home owners. This program is targeted to serve 50-75 families and has participation requirements to meet MPHA's homeownership program eligibility requirements. MPHA has implemented a provision that allows up to 25 working families or those who receive unemployment benefits to participate in the FSS program if they maintain homeownership as their primary goal.

Update

MPHA discontinued this program in 2012 due to federal funding cutbacks in its housing programs.

MTW Authorization:

Authorizations related to Self Sufficiency: Provided in Attachment C Section E. This Section waives certain provisions of Sections 23 of the 1937 Act and 24 C.F.R.984, as necessary to implement the Agency's Annual MTW Plan.

Statutory Objective:

Promote Self Sufficiency and increase housing choices. The FSS program positions families to meet FSS purpose of MTW.

Homeownership focus support housing choices beyond public housing and market rate rental.

SECTION V: SOURCES and USES of FUNDS

Estimated Sources of MTW Funding for the Fiscal Year

PHAs shall provide the estimated sources and amounts of MTW funding by FDS line item.

Sources

FDS Line Item	FDS Line Item Name	Dollar Amount
70500 (70300+70400)	Total Tenant Revenue	20,030,000
70600	HUD PHA Operating Grants	65,059,000
70610	Capital Grants	16,290,000
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	0
71100+72000	Interest Income	75,000
71600	Gain or Loss on Sale of Capital Assets	0
71200+71300+71310+71400+71500	Other Income	5,000,000
70000	Total Revenue	106,454,000

Estimated Uses of MTW Funding for the Fiscal Year

PHAs shall provide the estimated uses and amounts of MTW spending by FDS line item.

Uses

FDS Line Item	FDS Line Item Name	Dollar Amount
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	10,784,000
91300+91310+92000	Management Fee Expense	7,450,000
91810	Allocated Overhead	0
92500 (92100+92200+92300+92400)	Total Tenant Services	1,050,000
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	7,825,000
93500+93700	Labor	475,000
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	13,500,000
95000 (95100+95200+95300+95500)	Total Protective Services	1,750,000
96100 (96110+96120+96130+96140)	Total insurance Premiums	1,230,000
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	1,700,000
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	1,100,000
97100+97200	Total Extraordinary Maintenance	500,000
97300+97350	Housing Assistance Payments + HAP Portability-In	42,800,000
97400	Depreciation Expense	15,000,000
97500+97600+97700+97800	All Other Expenses	0
90000	Total Expenses	105,164,000

The sources of funds exceed the uses because HUD requires that depreciation expense instead of capital outlays be presented in the Sources/Uses schedule. The difference is explained by Capital Grants exceeding depreciation expense. This means that MPHA is expending more on new capital purchases than it is expensing the use of prior capital purchases. The difference, or net sources over uses, will be used in future years when depreciation expense (use of capital purchases) is greater than new capital purchases.

Describe the Activities that Will Use Only MTW Single Fund Flexibility

MPHA will use the MTW Single Fund Flexibility to offset the anticipated federal funding shortfall in the Public Housing Operating Fund Program. Resources from the Housing Choice Voucher Program, which is anticipated to be fully funded by Congress, will be used to offset the subsidy loss in the Operating Fund Program.

V.2.Plan.Local Asset Management Plan

MTW Plan: Local Asset Management Plan

Is the PHA allocating costs within statute?

No or

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

Yes or

If the PHA is implementing a LAMP, it shall be described in an appendix every year beginning with the year it is proposed and approved. The narrative shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.

Has the PHA provided a LAMP in the appendix?

Yes or

MPHA is currently allocating costs within the statute until the LAMP is approved. MPHA's Local Asset Management Plan (MPHA) is described in Appendix A of this Plan. This is the first year the LAMP is being proposed.

SECTION VI: ADMINISTRATIVE

The MPHA Board of Commissioners approved the creation of a Resident Advisory Board for this year's plan process in January of 2016. The Resident Advisory Board (RAB) consists of eleven resident/participant members that represent the Tenant Advisory Committee, the Security Advisory Committee, the Maintenance, Modernization and Management Committee, the Minneapolis Highrise Representative Council, the Minneapolis Scattered Site Resident Council and Section 8/HCV. The Resident Advisory Board meets with MPHA staff who coordinate and submit the MTW Plan. All meetings are held at the MPHA Administrative offices at 1001 Washington Avenue North, Minneapolis, MN.

The Resident Advisory Board adopted the following Guiding Principles/Priorities for this year's Plan Process (The Guiding Principles and Priorities are not listed in any order).

2016 RESIDENT ADVISORY BOARD -- GUIDING PRINCIPLES AND PRIORITIES

Guiding Principles	Priorities
Preserve housing stock and well maintained buildings. Maintain the highest standards for maintenance staff and hold them accountable to that standard.	Preserve housing stock and well maintained buildings. Maintain the highest standards for maintenance staff and hold them accountable to that standard. Advocate for and use MTW fungibility as much as possible to provide adequate federal funding for maintenance of buildings.
Preserve Section 8 vouchers for current participants.	Preserve Section 8 vouchers for current participants and create a forum/organization for representation.
Maintain secure public housing, Project Lookout funding and create a comprehensive security program.	Maintain secure public housing, Project Lookout funding and create a comprehensive security program, pursue restoration of the tax levy for security guards, place cameras in hallways, make sure security monitors work at guard stations, ensure unauthorized people are not entering the buildings and enforce MPHA's guest/visitor policies.
No rent increase over 30% of income for public housing.	Management Practice/Improve Communication; 1. Better communication with residents especially regarding maintenance and capital improvement work 2. Better enforcement of policies, pet policy and guest policies (guest must be accompanied by resident) 3. Management respect of resident councils' process and clarification of their respective roles. 4. Protect anonymity of residents/Project Lookout volunteers who write reports about other residents

Guiding Principles	Priorities
One-for-one replacement of public housing.	One-for-one replacement of public housing.
Keep resident self-help funding at \$120,000	Keep resident self-help funding at \$120,000.
Create collaborations that increase affordable housing and/or services for residents.	Create collaborations that increase affordable housing and/or services for residents.
No housing time limits.	No housing time limits.
Focus on the needy.	Activities that provide incentives for resident participation (i.e., Diversity Program)
Implement programs that check on residents (i.e., I'm Okay Program).	Provide more intensive pest control especially bed bug prevention and treatment
Create a Job Bank and focus on resident employment opportunities including Section 3 as part of all MPHA activities. Post and publicize opportunities to residents.	Rescind Absence from Unit Policy.
MPHA should actively enforce rules about smoking, weapons and drugs on MPHA properties. *MPHA tenants are under Federal Drug laws.	MPHA should actively enforce rules about weapons and drugs and smoking on MPHA properties. **MPHA tenants are under Federal Drug laws.

MPHA published a Notice of the availability of the MPHA Draft FY2017 MTW Plan and supporting documents and public hearing in the Minneapolis Star Tribune Newspaper on July 24, 2016. The actual public comment period for the MPHA Draft FY2017 MTW Plan and draft supporting documents began on August 1, 2016 and continued through September 2, 2016.

MPHA hosted an 'Advance Meeting' on August 16, 2016 and on August 23, 2016 at the Heritage Park Health and Wellness Center in the evening for public housing residents of highrises, scattered sites, MPHA's Glendale family development and Section 8 HCV participants. Seventy-five attended the first Advance meeting and eight people attended the evening meeting. MPHA mailed 400 invitations to random Section 8/HCV participants for these meetings. MPHA presented changes to the Draft 2016 MTW Plan and significant changes to the MPHA Statement of Policies (ACOP), Section 8/HCV Administrative Plan and the 2016 Capital Fund Program plan and took comments at these meetings.

There was a Public Hearing before the MPHA Board of Commissioners on Wednesday, August 24, 2016 at the MPHA administrative offices at 1001 Washington Avenue North. Approximately fifty people attended the public hearing and that number includes MPHA staff. The Board heard comments from six residents and the President of the Minneapolis Highrise Representative Council regarding the Draft Plan and supporting documents. As always, MPHA has responded to each comment received during the public comment period. The Comments and Responses will be found in Attachment C of this document.

All MPHA activities related to the Moving To Work Plan and approval process were consistent with MPHA's obligation under its Limited English Proficiency (LEP) Plan.

The MPHA Board of Commissioners approved the FY2017 Moving To Work Plan at its September 28th meeting. The Resident Advisory Board and Tenant Advisory Board gave their approval of the plan. At the last Resident Advisory Board meeting, there was a consensus that next year's RAB and MPHA look at the plan process and how it can be improved and give more opportunity to residents, participants and stakeholders to provide input and comment.

The Annual Statement/Performance and Evaluation Report (HUD-50075.1) is in Appendix D of this document.

The Board Report and Resolution approving the FY2017 MTW Plan along with the required Certification of Compliance signed by the MPHA Board Chair will be attached in Appendix E.

MPHA has no planned or ongoing PHA-directed evaluations of the demonstration for the overall MTW Program or any specific MTW activities.

APPENDIX A: Local Asset Management Plan (LAMP)

MINNEAPOLIS PUBLIC HOUSING AUTHORITY

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

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. MPHA is aware that HUD is proposing a change in Federal Regulations that Central Office funds be federalized and MPHA's LAMP will be in compliance with the final regulations regarding this matter.

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 10 percent of the amount of HCV funds expended on public housing capital improvements to be charged as a management fee to the HCV program. The management fee would cover the Central Office Cost Center's oversight and management of HCV-funded capital improvements. The costs include 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. This additional fee would be the only deviation from HUD's asset management guidelines.

APPENDIX B: PLANNED CAPITAL EXPENDITURES

Capital Needs Data

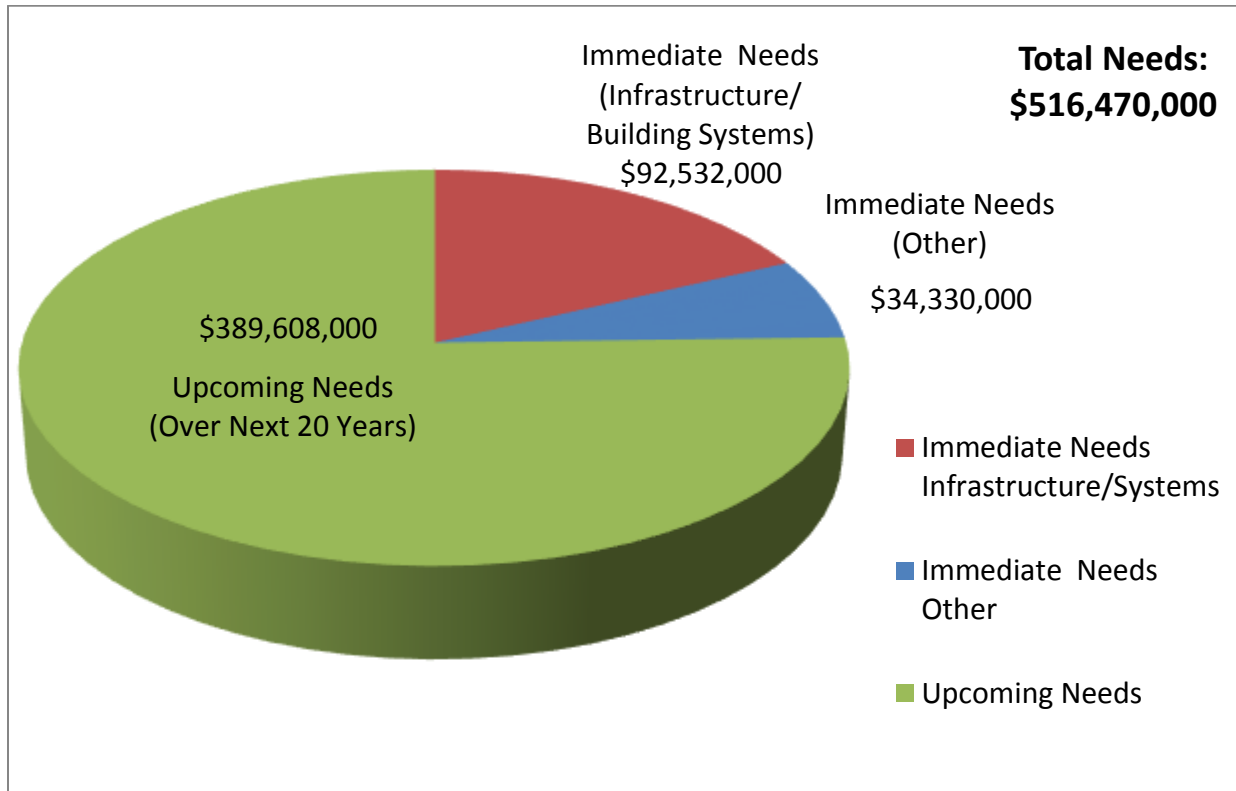
Minneapolis Public Housing Authority's (MPHA) housing stock is comprised of 42 highrise buildings, 750 scattered site homes, 184 rowhouse units, and three maintenance, administrative, and service facilities. Forty of the forty-two highrise buildings in MPHA's inventory were built in the 1960's and early 1970's; the age range of MPHA's single-family homes is 2 – 100+ years old, and our single remaining row house development is 65 years old. MPHA completed its comprehensive physical needs assessment process (PNA) in 2015, which included contracting with specialty consultants to assess major building systems such as HVAC, roofs, facades, and elevators. MPHA followed HUD's draft PNA guidance including assessing needs for a 20-year period. Utilizing field data collection tools, MPHA gathered needs data on all property components including current ages and conditions, life cycle profiles, and replacement or repair costs. Additionally, needs related to life safety/code compliance, security, and energy savings were noted as such and all needs were assigned a priority level. The comprehensive analysis indicates MPHA has a current unmet need of \$126.86 million (as of 2016) that will grow to nearly \$517 million over the next twenty (20) years. These figures do not take into account applied capital funding as it is difficult to predict future funding levels and availability. To aid in capital planning, MPHA considers three factors in its needs data:

1. The type of need:
 - Building Systems/Infrastructure (e.g. mechanical systems, plumbing and electrical systems, security systems, fire protection systems, roofs/façades, windows, elevators, etc.)
 - Building Site Work, Interiors & Equipment/Furnishings (apartment kitchen and bath rehab, landscaping/site improvements, community room furnishings, building amenities, etc.)
2. The remaining useful life of the need, which can range between 0 – 20 years.
3. The urgency of action:
 - Low: This action is not urgent and can be deferred.
 - Medium: This action is not urgent but should be done within the next 2-5 years.
 - High: This action is of high urgency and should be done within the next 1-2 years.
 - Urgent: This action should not be deferred and must be done as soon as possible.

PNA Breakdown

The breakdown of our 20-year \$516.47 million capital need is illustrated below:

PNA Breakdown



As shown above, a large portion of our immediate capital needs are infrastructure/building systems; due to their age, systems and infrastructure at many of our buildings have exceeded their life expectancy. MPHA deems a portion of these items as critical needs that could become life safety needs if left unaddressed. Additionally, as building codes have evolved, we need to address increased fire protection requirements such as retrofitting our highrise buildings with sprinkler systems. This need comprises approximately \$7.5 million of the \$92.5 million identified in Immediate Infrastructure Needs. MPHA has made these items a priority and will target these types of improvements over the next ten years.

FY16 Significant Capital Expenditures by Development

MPHA is basing its CFP on an MTW allocation of \$10.3 million for 2017. Projects that were initiated under previous funding cycles, but not fully completed in prior years, will carry over and experience expenditures in 2017. Additionally, a portion of the projects slated for 2017's \$10.3 million budget will not be fully expended in 2017 and will carry into 2018. This expenditure schedule is based on the assumption of receiving the Capital Fund grant by the end of March 2016. MPHA has estimated approximately \$17.39 million in Capital Fund expenditures for FY 17 (see following charts) targeted at specific projects in six of its seven Asset Management Projects (AMPs). Details for projects included in the FY2017 plan follow. The five-year Capital needs table illustrates total funding needed to address all capital needs at MPHA properties 2017-2021.

AMP 2 (Scattered Sites): \$200,000

Due to the severe shortage of funding, any capital improvements in scattered sites will be limited to roofs and other critical infrastructure upgrades. MPHA is allocating \$200,000 for these types of improvements in FY2017.

AMP 3 (North): \$350,000

Heating system upgrades including new isolation valves will be completed at 1314 44th Avenue North.

AMP 4 (Northeast): \$575,000

Major elevator modernization will be initiated at 828 Spring Street NE

AMP 5 (Hiawatha): \$1,900,000

Major elevator modernization will be initiated at the third Hiawatha Tower, 1700 East 22nd Street.

AMP 6 (Cedars): \$5,575,000

In 2016, MPHA initiated major plumbing replacement, apartment modernization, sprinkler system installation, and HVAC upgrades at the first of three Cedars lowrise buildings. The second building, 1627 South 6th Street, is slated for these same improvements in 2017. Additionally, elevator modernization will be completed at the first Cedar lowrise building, 620 Cedar Avenue South, and façade restoration will be initiated at this complex as well.

AMP 7 (Horn): \$950,000

Heating system upgrades will be completed at 2728 East Franklin Avenue. Comprehensive plumbing replacement, HVAC upgrades, and apartment improvements including new showers, flooring, and countertops will be initiated at 3205 East 37th Street. **Area Wide Building System Upgrades: \$500,000**

During FY 2017, the Facilities and Development Department will implement a variety of building upgrades such as major HVAC and electrical systems improvements at AMPs where other major projects are planned. The specific improvements are being defined and will be included in the scope of the major project at each site.

CAPITAL PROJECTS – FY 2017

AMP	PROJ	ADDRESS	WORK ITEMS	BUDGET	2017 EXPENDITURES
N/A	N/A	N/A	Administration	\$1,100,000	\$1,100,000
N/A	N/A	N/A	Audit fee	\$10,000	\$10,000
2	Varies	Scattered Sites	Roof replacement, infrastructure	\$200,000	\$200,000
3	37	1314 44 th Ave North	Heating system upgrades	\$350,000	\$350,000
4	33	828 Spring St NE	Elevator modernization	\$575,000	\$500,000
5	9	1700 East 22 nd St	Elevator modernization	\$575,000	\$500,000
6	6	Cedars Lowrises	Façade restoration	\$600,000	\$600,000
6	6	620 Cedar Ave South	Elevator modernization	\$575,000	\$500,000
6	6	1627 South 6 th Street	Piping, apartment modernization, sprinklers, HVAC improvements	\$4,400,000	\$2,000,000
7	17	2728 E Franklin Ave	Heating system upgrades	\$250,000	\$250,000

7	22	3205 East 37 th Street	Piping, apartment improvements, HVAC upgrades	\$700,000	\$100,000
3-7	Varies	Area-Wide	Building systems upgrades	\$500,000	\$500,000
3-7	Varies	Area-Wide	Contingency	\$500,000	\$250,000
TOTAL – 2017 CAPITAL BUDGET				\$10,335,000	

CARRYOVER CAPITAL PROJECTS (These are projects from a previously approved MTW annual and five year CFP plan that will incur expenditures during FY 2017)

AMP	PROJ	ADDRESS	WORK ITEMS	BUDGET	2017 EXPENDITURES
3	20.5	3116 Oliver Ave N	Piping, apartment modernization, roof replacement	\$2,000,000	\$250,000
3	42	314 Hennepin Ave	Corridor flooring replacement	\$570,000	\$50,000
4	10	311 University Ave NE	Piping, roof replacement, façade restoration, apartment upgrades, sprinklers	\$4,000,000	\$2,500,000
4	15.4 15.5	710 2 nd St NE & 616 Washington Ave NE	Corridor flooring replacement	\$80,000	\$40,000
4	21.4	1206 2 nd Street NE	Piping, apartment upgrades	\$2,300,000	\$1,000,000
5	9	2019 16 th Ave South	Elevator modernization	\$575,000	\$75,000
5	9	2121 16 th Ave South	Elevator modernization	\$575,000	\$75,000
5	24	1707 3 rd Avenue S	Corridor flooring replacement	\$200,000	\$100,000

6	6	620 Cedar Ave S	Piping, apartment modernization, sprinklers, HVAC improvements	\$4,600,000	\$1,700,000
6	6/30	Cedars Complex	Security fencing	\$200,000	\$190,000
6	8	Elliot Twins	Corridor flooring replacement	\$175,000	\$75,000
7	14	1415 East 22 nd Street	Elevator modernization	\$575,000	\$75,000
7	17	2728 E Franklin Ave	Piping, sprinklers, apartment improvements	\$3,700,000	\$3,600,000
N/A	96	1001 Washington	Building/security improvements	\$1,200,000	\$800,000
TOTAL – 2017 PLANNED EXPENDITURES					\$17,390,000

**The level and timing of these expenditures will vary depending on the final formula amount and the grant release date.*

Minneapolis Public Housing Authority
2017 Five-Year Schedule of Capital Needs

FY17	FY18	FY19	FY20	FY21
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AMP 1 - Rowhouses

AMP	Project	Address	Bldgs	Units					
1	1	Glendale	28	184	15,345,229	0	36,679	1,027,775	0
Total AMP 1			28	184	15,345,229	0	36,679	1,027,775	0

AMP 2 - Scattered Site/Single Family

AMP	Project	Address	Bldgs	Units					
2	Various	Various	750	750	19,477,875	7,408,883	4,109,594	3,682,879	3,227,450
Total AMP 2			750	750	19,477,875	7,408,883	4,109,594	3,682,879	3,227,450

AMP 3 - North

AMP	Project	Address	Bldgs	Units					
3	3	800 North Fifth Ave	1	66	1,223,391	0	0	172,480	0
3	20.4	2415 North Third Street	1	62	596,415	0	19,122	211,931	409,470
3	20.5	3116 North Oliver Ave	1	31	1,306,540	359,970	181,991	344,461	248,430
3	23	315 North Lowry Ave	1	193	2,796,795	0	701,688	228,150	181,182
3	25	600 North 18th Ave	1	239	1,627,295	0	2,041,634	1,025,424	0
3	26	1710 North Plymouth Ave	1	84	3,328,464	961,540	354,826	945,061	0
3	28	1015 North Fourth Ave	1	48	188,604	0	0	20,280	73,408
3	37	1314 North 44th Ave	1	220	3,215,593	326,508	122,043	3,139,958	25,350
3	42	314 Hennepin Ave	1	299	4,851,560	642,065	159,453	1,765,515	50,700
3	50	350 Van White Memorial Blvd	1	102	434,645	82,742	127,397	262,052	0
Total AMP 3			10	1,344	19,569,302	2,372,825	3,708,154	8,115,312	988,540

AMP 4 - Northeast

AMP	Project	Address	Bldgs	Units					
4	10	311 NE University Ave	1	49	3,827,701	15,692	136,890	679,105	50,700
4	15.4	710 NE Second Street	1	35	1,127,790	49,892	258,570	103,765	13,276
4	15.5	616 NE Washington Ave	1	35	1,277,473	41,813	212,940	185,907	9,253
4	21.4	1206 NE Second Street	1	57	3,135,441	0	425,880	1,127,521	45,630
4	21.5	1900 NE Third Street	1	32	1,457,524	24,944	273,780	328,154	0
4	21.6	809 NE Spring Street	1	32	1,619,036	121,011	144,611	637,959	0
4	32	1717 NE Washington Street	1	182	2,997,818	0	1,428,369	1,494,851	1,444,419
4	33	828 NE Spring Street	1	189	3,476,850	483,133	158,584	1,086,249	2,687
4	35	1815 NE Central Ave	1	333	2,314,658	0	278,850	2,721,758	270,231
Total AMP 4			9	944	21,234,291	736,485	3,318,474	8,365,269	1,836,196

Minneapolis Public Housing Authority
2017 Five-Year Schedule of Capital Needs

FY17	FY18	FY19	FY20	FY21
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AMP 1 - Rowhouses

AMP	Project	Address	Bldgs	Units					
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Total AMP 1			28	184	15,345,229	0	36,679	1,027,775	0

AMP 2 - Scattered Site/Single Family

AMP	Project	Address	Bldgs	Units					
2	Various	Various	750	750	19,477,875	7,408,883	4,109,594	3,682,879	3,227,450
Total AMP 2			750	750	19,477,875	7,408,883	4,109,594	3,682,879	3,227,450

AMP 3 - North

AMP	Project	Address	Bldgs	Units					
3	3	800 North Fifth Ave	1	66	1,223,391	0	0	172,480	0
3	20.4	2415 North Third Street	1	62	596,415	0	19,122	211,931	409,470
3	20.5	3116 North Oliver Ave	1	31	1,306,540	359,970	181,991	344,461	248,430
3	23	315 North Lowry Ave	1	193	2,796,795	0	701,688	228,150	181,182
3	25	600 North 18th Ave	1	239	1,627,295	0	2,041,634	1,025,424	0
3	26	1710 North Plymouth Ave	1	84	3,328,464	961,540	354,826	945,061	0
3	28	1015 North Fourth Ave	1	48	188,604	0	0	20,280	73,408
3	37	1314 North 44th Ave	1	220	3,215,593	326,508	122,043	3,139,958	25,350
3	42	314 Hennepin Ave	1	299	4,851,560	642,065	159,453	1,765,515	50,700
3	50	350 Van White Memorial Blvd	1	102	434,645	82,742	127,397	262,052	0
Total AMP 3			10	1,344	19,569,302	2,372,825	3,708,154	8,115,312	988,540

AMP 4 - Northeast

AMP	Project	Address	Bldgs	Units					
4	10	311 NE University Ave	1	49	3,827,701	15,692	136,890	679,105	50,700
4	15.4	710 NE Second Street	1	35	1,127,790	49,892	258,570	103,765	13,276
4	15.5	616 NE Washington Ave	1	35	1,277,473	41,813	212,940	185,907	9,253
4	21.4	1206 NE Second Street	1	57	3,135,441	0	425,880	1,127,521	45,630
4	21.5	1900 NE Third Street	1	32	1,457,524	24,944	273,780	328,154	0
4	21.6	809 NE Spring Street	1	32	1,619,036	121,011	144,611	637,959	0
4	32	1717 NE Washington Street	1	182	2,997,818	0	1,428,369	1,494,851	1,444,419
4	33	828 NE Spring Street	1	189	3,476,850	483,133	158,584	1,086,249	2,687
4	35	1815 NE Central Ave	1	333	2,314,658	0	278,850	2,721,758	270,231
Total AMP 4			9	944	21,234,291	736,485	3,318,474	8,365,269	1,836,196

Minneapolis Public Housing Authority
2017 Five-Year Schedule of Capital Needs

FY17	FY18	FY19	FY20	FY21
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AMP 5 - Hiawatha

AMP 5	Project	Address	Bldgs	Units					
5	9	Hiawatha Towers	3	281	8,357,422	544,510	223,080	633,979	463,849
5	18.5	2533 South First Ave	1	42	1,862,852	16,035	152,100	255,528	0
5	19	1920 South Fourth Ave	1	110	2,836,710	0	147,638	154,278	381,516
5	24	1707 South Third Street	1	199	2,205,379	0	105,438	163,188	131,820
5	34	2419/33 South Fifth Ave	2	254	4,635,165	0	992,007	385,320	2,917,954
Total AMP 5			8	886	19,897,528	560,545	1,620,263	1,592,293	3,895,139

AMP 6 - Cedars

AMP 6	Project	Address	Bldgs	Units					
6	6 & 30	Cedars Community	4	539	21,993,735	3,842,708	2,289,720	6,385,189	160,208
6	8	Elliot Twins	2	174	5,495,645	82,376	1,266,973	563,517	1,405,407
6	16	1515 South Park Ave	1	182	2,949,594	347,903	1,675,466	302,610	1,251,629
Total AMP 6			7	895	30,438,974	4,272,987	5,232,159	7,251,316	2,817,244

AMP 7 - Horn

AMP 7	Project	Address	Bldgs	Units					
7	14	1415 East 22nd Street	1	129	2,336,398	0	0	101,259	0
7	17	2728 East Franklin Ave	1	151	5,107,360	1,071,798	1,148,045	1,251,660	671,287
7	18.4	3755 South Snelling Ave	1	28	1,048,718	65,910	8,112	350,600	0
7	22	3205 East 37th Street	1	28	967,195	40,560	8,112	346,075	0
7	31	Horn Towers	3	491	6,096,283	1,572,721	5,854,775	890,959	935,120
7	36	2121 South Minnehaha Ave	1	110	3,514,782	801,450	15,926	1,432,688	111,540
Total AMP 7			8	937	19,070,736	3,552,439	7,034,970	4,373,241	1,717,947

Management, Maintenance, and Special Facilities

	Project	Location	Bldgs	Units					
	29	901 North Fourth Ave (HPSCC)	1		353,095	0	0	0	245,115
	93	1301 Bryant Maintenance Off.	1		198,723	68,677	0	29,688	97,692
	96	1001 Washington Main Office	1		2,338,313	121,680	3,942	1,124,223	352,141
Total MM&S			3		2,890,131	190,357	3,942	1,153,911	694,948
GRAND TOTAL			820	5,940	147,924,066	19,094,521	25,064,235	35,561,996	15,177,464

Asset Preservation Strategies

The ever-widening gap between capital improvement needs and the dollars allocated to MPHA through HUD's Capital Fund Program has prompted MPHA to develop multiple asset preservation strategies. These include the following:

- A) Participating in special programs offered by HUD.
- B) Implementation of development/asset replacement strategies.
- C) Seeking funding opportunities other than HUD's Capital Fund Program.

A. Preserving Assets through HUD Programs

Moving to Work (MTW) Demonstration Program

MPHA's designation as a High Performing Housing Authority by HUD provided the opportunity to obtain the MTW designation. The purpose of the MTW program is to give housing authorities and HUD the flexibility to design and test various approaches for providing and administering housing assistance that accomplishes three primary goals:

- Reduce costs and achieve greater efficiencies in federal expenditures.
- Give incentives to families with children where the head of household is working, seeking work, or preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient.
- Increase housing choices for low-income families.

As an MTW agency, MPHA has been able to utilize fungible authority to increase the amount of funds allocated to capital improvements above the CFP allocation from HUD. In 2016, MPHA allocated an additional \$1.0 million to its capital improvement program above the HUD capital grant fund.

Energy Performance Contracting

MPHA contracted Honeywell International, Inc. for a 2010 implementation of \$33.6 million of energy conservation measures throughout MPHA's properties. The contract was financed under HUD's Energy Performance Contracting program incentive to borrow private capital to fund energy improvements. The improvements which included replacing 40-to-50-year-old boilers, installing low flow toilets and shower heads, and replacing existing stoves with energy efficient models is now completed. This "green" project is now complete and on its fourth year of a 20-year energy savings guarantee by Honeywell.

The project is truly a win-win for the agency. As MPHA and Honeywell transitioned from construction to energy savings monitoring, other savings and improvement opportunities were discovered. The original loan was refinanced to a lower interest rate and an additional \$3.36 million worth of improvements is now completed. These included enhanced LED site lighting at all MPHA high-rise sites as well as roof replacement at the three Horn Towers buildings.



Typical Old Highrise Boiler



New Boiler Installation

B. Asset Redevelopment & Repositioning

MPHA looks for opportunities to reposition some of its single-family scattered housing properties with the most extensive capital, operational and maintenance needs and replace these with small clusters of town house developments. A prototype example of a small cluster of family housing is the development of a five-unit townhome development in Linden Hills that was completed in 2006.

MPHA is also in the process of assessing options for the preservation of 184 units at its Glendale Townhomes in Prospect Park. This 12.5-acre site with 184 family townhome units has extensive capital needs and MPHA is considering several options that will ensure the preservation of these units in the long term. The needs at this property are identified in the five-year schedule of capital needs; as the preservation strategy is formulated for this site, MPHA may allocate capital funds to support these efforts.

Five Unit Townhome Development in Linden Hills



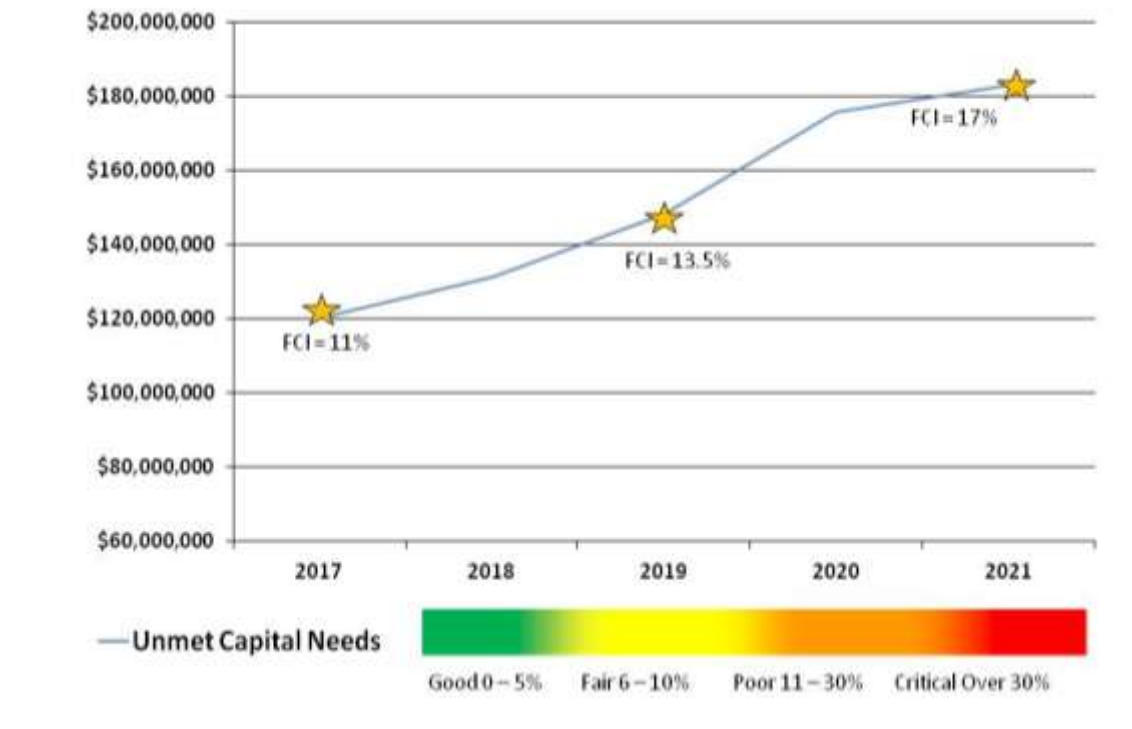
C. Supplemental Funding Sources

Due to the extent of MPHA's capital needs and the insufficient level of funding provided by HUD, the need to cobble funds from various sources outside the traditional HUD's CFP has become a much-needed activity. In the past, MPHA has been successful in securing grants from the Met Council and the City in redevelopment activities and from the State for affordable housing preservation. For example, MPHA secured a \$1,200,000 affordable housing preservation grant from the State in 2015 to help fund major plumbing replacement, fire protection installation, apartment improvements, and HVAC upgrades at its 620 Cedar Avenue South building.

Facility Condition Index

MPHA assesses the physical condition and tracks the performance of our properties by utilizing an industry-accepted tool known as the Facility Condition Index (FCI). The FCI is used by industries that have responsibility over large capital asset inventories such as higher education, municipalities, military, and increasingly, public housing authorities. The FCI is a measurement that takes into account the "growing" capital renewal needs year over year and measures it against the replacement value of an asset ($FCI = \text{Need} / \text{Asset Value}$). MPHA uses this information to understand the current state of each property, to forecast a building's future performance based on various funding levels, and to formulate asset preservation strategies such as those mentioned above that will keep our housing stock viable for the long term.

MPHA's five-year strategy for addressing capital needs covers FY 17 through FY 21. Through Capital Fund Program appropriations and asset preservation strategies, MPHA anticipates allocating approximately \$60 million to implement capital work over this five-year period, which includes expenditures for capital projects that are currently or will soon be underway at the time this report was published. The plan addresses primarily building systems/infrastructure and fire suppression improvements, all of which are critical to the operation of our facilities. The following chart illustrates MPHA's Facility Condition Index for the next five years.



Assuming current HUD Capital funding levels and MPHA's ability to implement various asset management strategies, MPHA's assets will slip further into the "Poor" range over the next five years. Aging properties and reductions in funding levels have made asset preservation an increasingly difficult challenge. MPHA must continue to aggressively pursue grant opportunities that improve MPHA's asset condition through initiatives that include development and capital investment in existing assets.

MPHA considers the outcome of the aforementioned investment strategies consistent with the MTW statutory objectives of:

- (a) Reducing costs and achieving greater cost effectiveness in Federal expenditures.

- (b) Providing incentives to families with children whose heads of household are working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.
- (c) Increasing housing choices for low-income families.

APPENDIX C: FY2017 MTW PLAN AND SUPPORTING DOCUMENTS COMMENTS & RESPONSES

Public Comments

Short & Long Term Goals

- Residents support MPHA efforts to partner with the Family Housing Fund, Hennepin County, MHFA and the City and other groups to identify funding sources to develop Faircloth units such as the Minnehaha Townhomes initiative for families coming out of shelters. (MHRC Comment)

MPHA Response: Thank you. MPHA and residents have worked together to implement this initiative.

- Residents wholeheartedly support and wish to express their appreciation to MPHA for proposing to rescind MPHA's Absence from Unit initiative. (MHRC Comment)

MPHA Response: Thank you.

FY2017 MTW Plan

- Kudos and congratulations to MPHA on moving forward with the 1) Shelter to Housing (PBV); 2) Prison to Home; and 3) Permanent Supportive Housing for Youth.

MPHA Response: Thank you.

- Regarding the Lease-to-Own Initiative. If someone purchases a unit, do they need to pay interest?

MPHA Response: Right now we only have one unit available to Lease-to-Own and you need to apply and qualify. If you qualify and purchase and the loan is financed through a bank, you would pay interest.

Low Income Public Housing Statement of Policies

- Regarding MPHA's No Smoking policy, residents understand that enforcement of the policy may be difficult, but request that it be a priority for MPHA as residents continue to complain that residents are still smoking in their apartments. (MHRC Comment)

MPHA Response: Thank you for your comment. MPHA encourages residents to report to management when they smell smoke so that management can follow up and enforce the lease. This is an MPHA priority.

- MPHA states that all highrises are now smoke free. My building still has smokers.

MPHA Response: MPHA highrises are non-smoking and residents are not allowed to smoke in the building although they are allowed to smoke in designated smoking areas outside the building.

- How many people can legally live in the apartments?

MPHA Response: Two people in a one-bedroom apartment – 2 adults, 2 children or one adult and 3 children while they wait for a transfer.

- Residents appreciate that MPHA recognizes the extreme financial burden an increase in minimum rent would place on many residents whose only source of income is General Assistance, and that MPHA is not proposing to increase the minimum rent above \$75 a month. (MHRC Comment)

MPHA Response: Thank you.

- Recently, I reported that I got a job but there was no increase to my rent.

MPHA Response: This may be if your income did not go up more than \$100/month we wouldn't increase your rent. If you pay flat rent, your rent wouldn't change. If you were unemployed for a long time and then became employed, the first year MPHA would disregard your income and the next year would disregard 50%. However, if these situations do not apply contact your manager

- What if a resident gets a seasonal job for three months?

MPHA Response: If a resident gets a job and reports it within five days, but the time the rent is charged the rent would increase for one month and go down again.

- Regarding the Community Space Use Policy, the statement “At MPHA’s discretion the signed user of a Community Room may be responsible to pay MPHA for the cost of a Security Guard during the event” is too vague. Guidelines need to be developed in consultation with MHRC’s Security Advisory and Executive Committees. (MHRC Comment)

MPHA Response: MPHA will take this under consideration.

- Will the cost of a security guard be assessed prior to or after the event?

MPHA Response: It depends on the number of people at the event whether a security guard is needed or not. This will be discussed with the space user prior to the event.

- Horn Towers wants more guard hours. The druggies know the guard's routine and take advantage.

MPHA Response: The 2017 security budget is very tight. MPHA will discuss strategies for varying security guard routines with our security guard company and the Security Advisory Committee. Project Lookout is a good alternative.

- Residents are in strong agreement with the Resident Advisory Board that security continues to be the number one priority for highrise residents, including improving relationships with the MPD, pursuing improvements in security technology, increasing guard coverage in some buildings and funding for Project Lookout. As you may know, Project Lookout volunteers have helped to stave off crime and other security problems since the major guard cuts five years ago. They contribute over 60,000 hours of volunteer security service in 29 highrises a year. We thank you for your support of this essential program. The MHRC has also laid out a strategy, in line with Cora McCorvey's recent request to the Mayor, for convincing the Mayor and City Council Members to reinstate the tax levy to support vital public housing programs.

MPHA Response: Thank you.

- There was general consensus among residents at a recent MHRC board meeting that the highrise bed bug problem is improving. We believe this is due, in part, to the Bed Bug Advisory Committee – a new partnership between MPHA and MHRC's Maintenance, Modernization and Management Committee, to develop new procedures for treatment and prevention of bed bugs including a public awareness campaign designed to support residents in reporting infestations. Unfortunately, despite this good news, some residents have been recently reporting that the cockroach population is on the rise again. Obviously, vigilance is needed in both areas. (MHRC Comment)

MPHA Response: Thank you and the residents for working with us on this problem.

- MPHA is forbidding king size beds and frames in highrise units. What about queen size beds? What about residents who already have these beds in their units?

MPHA Response: MPHA will not restrict king size beds in Public Housing units, but will require enough space in the unit to facilitate ingress and egress, the ability for MPHA staff to maintain the windows, outlets, heating system, switches and other fixtures, and similar access as necessary, to provide pest control services.

- How can MPHA charge for labor when they are already paying them to fix units?

MPHA Response: MPHA does not charge when there is ordinary wear and tear on the unit or items, or when the resident is not responsible for the damage.

- If someone has a large family and repairs need to be done, will the family be charged for work done by the hour and will it be expensive for the resident?

MPHA Response: If there are charges to the resident, MPHA would create a repayment agreement so the tenant could pay back over time.

- What is the plan for security cameras and guards? Will MPHA scan ID cards?

MPHA Response: The plan is to continue the current levels of security in the next year. MPHA is testing the ID card scanner at 1001 Washington and may consider rolling it out to other buildings.

- How can residents access the Self-Help Program and what is the budget for that program?

MPHA Response: Residents should contact their Property Manager regarding participation in the self-help program. The 2016 budget for self-help is \$155,000.

- At Horn Towers, there seems to be so much discrepancy as to what and how many pets a resident can have. What is the policy?

MPHA Response: A resident may have only one cat or dog weighing no more than 25 pounds (unless it is an assistance animal or service animal); or two caged birds; or an aquarium of thirty gallons or less for fish only; or two caged gerbils or hamsters. Only domesticated pets will be allowed. Pets of a vicious or aggressive disposition will not be permitted. See MPHA SOP Part XVII.2 to see which pets are prohibited.

- Many who have dogs do not keep them leashed and don't clean up the mess.

MPHA Response: Talk to your property manager and give specific details so that MPHA can enforce the lease.

- It was brought to my attention that there are some discussion happening on rulings on service dogs in public housing. I am not an expert on either so will just say that I am writing to advocate for the dogs and the people who are dependent on this in 'any' form, physically or emotionally.

MPHA Response: MPHA's pet and service animal policies Part XVII of MPHA's SOPs identify the types of animals and pets that residents can have and the specific requirements that must be followed in regard for the keeping and care of these animals at our properties.

- The person that asked me about this issue was concerned because she had witnessed a few encounters between [REDACTED] tenants and people with animals, where the dogs were physically kicked. While I suspect this isn't going on often, it would just bring to mind that education and tolerance would need to be discussed in the public housing setting. It reminded me of the taxi controversy about service dogs, alcohol and the like. [REDACTED]
[REDACTED] At the end of the day, I'm sure you know that many of these people are extremely isolated individuals and are very connected to their animals. It would behoove everyone to find solutions to make it work and not make more homeless animals. Thank you for your time.

MPHA Response: See MPHA response above; if you see abuse of these animals, please report your concerns to your manager.

- I do not agree with the following proposed policy changes at MPHA: denying access to a service animal. There are people in public housing [REDACTED] that a dog is a bad thing. I have seen (more than once) them kick and yell at dogs in the elevator (just because the dog is present) and the dog has no way to escape the mistreatment. The dog has not initiated the situation. But the dog may learn to respond poorly to others under that kind of aggression from other tenants. I think it is fair to say a badly behaving dog may have to be muzzled in common areas. But that is as far as I would take it, so far as rules that apply to service animals. It is left open to interpretation as to what “poses a direct threat,” “out of control,” “housebroken”. I think it will just waste staff time and energy to try and enforce not allowing a service animal under this policy.

MPHA Response: See MPHA responses above.

- Documents signed by an employee (of MPHA)? Too many employees and volunteers and 3rd party vendors have their own potential agendas in any given situation, and should not be involved in certifying VAWA’s. It should be strictly done by outside parties. This could potentially create waste of time and money for MPHA if, for example, a person’s named a perp by a MPHA employee, but they have documentation/witnesses/corroborating record that disputes this. Neither of these potential policy changes simplify things for MPHA. The wording is vague and it is a gray area in most respects that could be challenged, perhaps even creating liability for the housing authority.

MPHA Response: The policies reflect requirements and allowance under Federal Law.

Section 8 Admin Plan

- When will the Section 8 Waiting List be open and how will the lottery work?

MPHA Response: The plan is to open the waiting list in late Spring or early summer next year (2017). There will be a lottery selection of new applicants who will be placed on the list.

- 15,000 applicants on the waiting list go to lottery for their place on the list. What is the number of seniors with disabilities on the waiting list? Also, can seniors with disabilities have a separate lottery list?

MPHA Response: The reference to 15,000 applicants was the number of applications received within a 48-hour time frame in June, 2008. MPHA anticipates a similar response when we open our HCV Waiting List for application in 2017; however, we will randomly select a limited number of applicants (this is called a lottery) to place on our List so that we can keep the ‘wait time’ for admission between 3 to 5 years. We will not have a separate lottery for Seniors with disabilities; the HCV Program does not have a Senior Housing Preference (although Public Housing does). MPHA’s HCV Program does operate a Non-Elderly Disabled Program and will outreach to Non-Elderly Disabled Applicants to ensure a sufficient number of applicants on the Waiting List.

- The MPHA Section 8 Department is purging the wait list. I have been on the list since 2008. What do I have to do to remain on the list?

MPHA Response: Every year Section 8 staff sends a letter to everyone on the waiting list to let you know you remain active. If the letter is returned to MPHA as undeliverable, then the applicant is deactivated from the Waiting List. So, if you change addresses or move, it's important to notify MPHA and update your information to assure you remain active on the Waiting List. You may also call the HCV Waiting List line at 612-335-4404 to see if your application is still current.

Capital Fund Comments

- Residents recognize that the vast majority of limited capital improvement dollars must go toward maintaining and repairing critical building systems. Elevator break-downs continue to be a major resident concern in many buildings. Residents also request that MPHA be mindful of the need for space in the highrises for exercise equipment. Many residents are focused on optimizing their health and areas for exercise in the buildings, especially in the winter months, are in high demand. (MHRC Comment)

MPHA Response: MPHA has a systematic plan in place for preventative maintenance of vertical transportation components (elevator systems). In addition, three high-rises per year, based on severity of need, are earmarked for modernization of elevator controls, cabs, and gears. Despite the heavy use of our elevators, our elevator maintenance contractor has greatly reduced the average downtime of our inventory in the past three years. Elevator downtime is always frustrating, but we are very diligent in our efforts to keep them in good condition and running.

MPHA supports healthy living and will work with residents to designate, when possible, areas in our buildings for exercise.

- How does MPHA prioritize elevator modernization?

MPHA Response: Every year MPHA selects three buildings for modernization of elevators, based on need.

- The Elliot Twins elevators are breaking down and the cockroaches are very bad too.

MPHA Response: MPHA recently upgraded the elevators at the Elliot Twins. We will contact the vendor to find out what is going on. MPHA has an aggressive integrated pest control program. Residents should immediately report infestations through the MPHA Work Order system at (612) 342-1585.

- It never ceases to amaze me how many of MPHA's capital needs are fulfilled even though these are chronically underfunded by both Congress and HUD.

MPHA Response: Thank you.

Miscellaneous Comments

- Thank you for providing homes. Are there any other programs for seniors if we are in public housing?

MPHA Response: Through its various partnerships MPHA is able to provide an array of services to seniors. We have a number of assisted living programs, two of which offer acute care and memory care. In addition, through MPHA's partnership with Volunteers of America (VOA), social workers are assigned to each of our highrise buildings. The social workers work with residents to acquire a range of support services from community resources.

- What does MPHA do with its money?

MPHA Response: In 2015, MPHA spent \$42 million on public housing, \$49 million on Section 8 housing programs, and \$15 million on public housing capital improvements.

- MPHA should explore funding and grants to help finance broadband access, high speed internet access and computers for public housing highrises. There is so much information on the internet.

MPHA Response: MPHA is exploring this with local vendors.

- What is MPHA doing to get restoration of the tax levy in full?

MPHA Response: The Executive Director/CEO and CFO met with Mayor Hodges and made the request for restoration of the full tax levy and other funding for public housing. They also passed on the letter from MHRC to the Mayor and the City Council requesting funding.

- Senior designated housing has air conditioning available. There are seniors in other buildings too that do not have air conditioning. We would like to see air conditioners in all buildings. It would pay for itself in a couple of years as residents who use it would pay the \$75.

MPHA Response: Thank you for this suggestion.

- My unit does not have air conditioning. A tree caused damage to my roof a month ago and no one has fixed it.

MPHA Response: You can put in your own air conditioner at a scattered site. MPHA responded immediately to the resident who had tree damage. MPHA also advises that when a resident experiences damage to their units, that they contact MPHA Work Orders at (612) 342-1515 for family and (612) 342-1585 for Highrises.

- I would like to report an incident that happened during EID. The oven in my father's unit was not working and we were expecting guests for EID. He called Work Orders and told them it was an emergency as they were expecting guests. The person who answered said there are other things you can eat that don't need to be heated. There is abuse at Glendale.

MPHA Response: MPHA review the work order and through a conversation with the complainant confirmed that the stove was repaired on the same day it was reported and apologized to the complainant that his father felt that he was badly treated.

- The problems I have in my home are not getting repaired and no one hears my voice. I call and no one helps.

MPHA Response: MPHA staff visited the home of the resident and found two minor maintenance problems and they were addressed.

- MPHA stated that they are waiting for the Light Rail before making plans to develop the vacant property. What color light rail

MPHA Response: The proposed light rail would be the Bottineau Blue Line Extension that will service North Minneapolis.

- The entry system at Heritage Commons does not always work? What can be done?

MPHA Response: Needed repairs have been made, please call the Work Order Department at 612-342-1585 if further repairs are needed.

- We have no internet in our building (1515 Park) and cell phones do not work. Horn Towers also has problems with this.

MPHA Response: It is our understanding that Comcast has a special internet access program for public housing highrise residents. Please talk with your manager about how to access this program. You will need to work with your cell phone provider or perhaps consider switching carriers to improve cell phone reception.

- Thank you for this meeting. The program was great. Oromo families are large. 2-3 bedrooms are available, but does not help large families. We have been hearing the same answer for years and look forward to the time it changes.

MPHA Response: MPHA is aware of the shortage of large bedroom homes. Unfortunately, HUD has not provided funding for new public housing developments for some time.

- There needs to be safe recreational areas for kids so they aren't damaging property. Would it be possible to use the Heritage Park vacant land for this purpose?

MPHA Response: The MPHA Board has authorized staff to explore temporary uses for the Heritage Park vacant land. MPHA is open to discussions with various groups about such uses, including recreational opportunities for youth.

- There should be better maintenance of the vacant property due to weeds and allergies and asthma concerns.

MPHA Response: MPHA has a contracted with a new provider for performing these services so it should be well maintained going forward.

MPHA Response to ‘Defend Glendale’ Communications Regarding Agency’s Draft 2017 Moving To Work Plan & Supporting Documents

MPHA Introduction

The public comments submitted in relation to MPHA’s FY2017 MTW plan included a number from one group of concerned residents from Glendale Townhomes, self-identified as ‘Defend Glendale’. While the MTW plan does not include any new proposals or determinations with regard to Glendale, we are glad to address all comments that arose during the process. Since many of the comments overlap, we will present them all in full, followed by our responses to the points raised. We have organized our responses according to the primary themes that run through the comments: general comments about the potential redevelopment of Glendale, comments about the communications and accessibility of the MTW resident input process, comments about use of certain mechanisms with regard to Glendale, and proposed changes to MPHA’s Statement of Policies (SOPs) - HUD’s Admissions and Continued Occupancy Policy (ACOP) with a potential impact on Glendale families.

Comments from the Defend Glendale Group

RE: Formal response and complaint regarding MPHA FY2017 DRAFT Moving To Work (MTW) Annual Plan process and meeting

Executive Summary: MPHA is planning to push, displace, and demolish Glendale Townhomes through another strategy called Voluntary Conversion according to the FY2017 Draft meeting. This plan has been introduced as another option by MPHA since RAD was unsuccessful and the Sherman Report (the plan to redevelop Glendale to market rate luxury apartments by Sherman Associates) is on pause. MPHA has only held one public meeting on the matter, on their 2017 Financial Year Draft Moving To Work, on Tuesday, August, 16 at 10:30 am at Heritage Park Senior Center. The majority of MPHA residents all over Minneapolis could not attend. MPHA is asking for City wide input of their MTW plans which includes Glendale, however MPHA has no plans to have an accessible equitable process for more community input and meetings that include the voices of the residents and concerned citizens of Minneapolis, many of whom care about public housing, gentrification and where public funds go. MPHA has also sent a quick email to a few officials in their network to provide public comments by Sept 2, 2016 and public hearing on by their board on August 24th without inclusive input and outreach the community. There is no process for residents to make public comments at this meeting or after this meeting. MPHA needs to extend the public comments process to 90 days and to hold meetings at their MPHA buildings and at Luxton Park in Glendale so residents have access and can participate. MPHA needs to hold a series of meetings to educate residents of their plans in open and transparent way. MPHA needs to make sure that public comments are collected equally so everyone is heard especially residents who are not English speakers.

Details:

On August 16, 2016, We, members of the Defend Glendale Campaign as well as Glendale Townhomes' residents attended the MPHA Annual Moving to Work

Plan and Capital Fund Review meeting at Heritage Park Health and Wellness Center in North Minneapolis. Many residents could not join us due to the time and location of the meeting. ·

Overall, this Community meeting from beginning to the end was an uncomfortable, anti-community engagement environment in which Minneapolis Public Housing staff announced their plans and latest information on MPHA Budget Update, their 2017 Moving to Work Plan, and their Capital Fund Presentation with no face to face input activities.

The Set-up of the event was in an "Announce and Authoritative " Approach to community engagement in which MPHA staff presented their information and uninformed residents were expected to either ask their questions to which staff provided defensive answers and no solutions. MPHA staff did not even state there would be a follow-up meeting to answer residents' concerns or questions or a releasing of any final report. The meeting involved MPHA staff reading off legal documents and other forms filled with Public Housing jargon and housing coded concepts. The speakers were hard to hear for senior residents and often MPHA staff did not speak into the microphone. MPHA provided translator services, but the MPHA speakers spoke at such a fast pace that the interpreters could not relay the information to non-English speakers. Even guest attendees with a background in housing stated they had a hard time understanding the poorly delivered MPHA presentation.

The event had no time on the agenda for residents to go into small focus groups with MPHA staff to ask questions or go in-depth with the information. The delivery of the information was so unconnected to residents the environment furthered the idea that the event was merely an MPHA requirement no matter how well residents understood the information. MPHA only seemed to conduct the event as a matter of procedure with no regard for the end result. The event furthered MPHA community engagement practices with no concern for the process of community engagement or the product and outcome. MPHA also has a track record of hiring communication consultants with no concern for the process of community engagement or the product and outcome.

Section 1: FY2017 Moving To Work Plan- Short and Long Term Goals:

The presentation spent between 2 to 4 minutes per slide with over six or more slides in this area with concepts like: "Faircloth ACC Authority", "MHFA", "Local Asset Management Plan", "Unit and Foreclosure Stabilization", "Sponsor Based Voucher Initiatives", "Rad Conversion", "Project Based Rental Assistance", "CHAP", "Historic Tax Credits" and others. MPHA moved so fast in the delivery of their presentation there was no in-depth conversation or explanation. It was also difficult to impossible to find MPHA staff at the end to ask questions. MPHA did gather questions at the end, but answered audience member's questions in a defensive and intimidating manner.

MPHA staff further stated its fifth "Section I: Short & Long-term MTW Goals" slide that: "At this Time, MPHA is not pursuing, a RAD conversion for Glendale under the portfolio option provided by **HUD** in its 2016 CHAP", but later in the "2017 Capital Fund Program" PowerPoint presentation under the "Development Projects and Activities" area slide 4 it states: "Staff will research possibility of Voluntary Conversion at Glendale". They further said they would be hiring a consultant for the abovementioned Voluntary Conversion. See this link about Voluntary Conversion.

http://portalhud.gov/hudportai/HUD?src=/program_offices/public_indian_housing/centers/sac/vc

Voluntary Conversion is when public housing units are removed from their public housing status and converted to private development or section 8 project

based which will be owned and managed by private developers who will later sell the property, demolish or convert it to market rate since they are the owners. This has the same impact of displacement and demolition as RAD. Here is how HUD explains: *"Voluntary conversion may be undertaken only where it would be beneficial to the residents of the development being taken off public housing and to the surrounding area, and where it would not have an adverse impact on the availability of affordable housing in the area."* Voluntary Conversion would have an adverse impact on residents.

Yet, instead of using the funds to repair Glendale, put it back to the property, they are hiring another consultant to figure out another strategy to convert and profit from Glendale.

MPHA continues disengage and doesn't present information to Glendale residents. MPHA continues hire consultants on our tax dollars to promote displacement and disparate impacts towards Glendale Townhomes' and families. Glendale resident leader spoke out, and said, "MPHA is trying to use Voluntary Conversion to displace us again since they did not succeed in RAD and they continue to contradict themselves in this presentation." Bob Boyd pulled the microphone from the resident and said, "we have advisory council that approves this." The resident said, "we have no idea who this advisory council is and we were never invited," again, the resident was ignored. Cora McCorvey then came in and started giving intimidating looks to residents that were speaking out. This was unprofessional and unacceptable behavior by MPHA leadership. Residents continued to ask questions about where the money is going and MPH, Bob Boyd looked mad, did not answer any of the questions properly.

Section 2: Draft Low Income Public Housing Statement of Policies:

The presentation went over areas such as: "Definitions", "Requirements for Admission", "Preferences", "Waiting List Assignment Plan and Designation of Buildings", "Occupancy Standards and Lease Add Ons", "Rent Computation &

Security & Pet Deposits", "Tenant Transfer", "Re-Examination of Tenant Eligibility & Rent Adjustments", "No Smoking", "Pet Policy", "Death of a Tenant Vacate", "Violence Against Women Act Policy", "Community Space Use Policy", "Appendix C: Sales & Service Charge Schedule", "Appendix D: Housekeeping Standards", and "Appendix H: Applicant Screening Guidelines".

While MPHA Staff went over these various policy changes, residents had no original documentation of the above policy areas to compare and contrast the various additions and subtractions. Residents were expected to provide comment and questions with no original language documentation provided for them by MPHA staff.

Section 3: Draft Section 8 HCV Admin Plan:

To reiterate, this part of the MPHA presentation was another area in which attending residents were not expected, nor given the opportunity to provide any input. There was also no time built-in for in-depth discussion or questions for all residents especially those who did not speak English.

Section 4: Capital Funds:

This section was another missed opportunity for Minneapolis Public Housing Authority to demonstrate their track record and timeline of accomplishments with their 2017 Capital Fund Program. Instead, MPHA decided to only examine the current year with a 20-year Capital Needs projection. MPHA decided not to provide information from the past 20 years or even the past 5 years of their Capital Fund and Needs.

Defend Glendale requested numerous times from MPHA information and data on Capital Needs reports on Glendale Townhomes to present at community meetings as well as a financial independent audit of MPHA as agency-wide, and MPHA has yet to respond. In addition, we provided a list of fix & repair issues

needed in Glendale Townhomes, which MPHA has yet to address. When MPHA took control of the heat from resident control several years ago, they received funds to save energy and to properly insulate the homes. Other properties were insulated but not Glendale. Since February of 20'16, Defend Glendale continued to ask for proper insulation that is routine practice and easily done to protect the health of the families. MPHA has yet to take-to-take action as winter approaches again in few months.

Comments:

Overall, the MPHA August 16 meeting was meant to fulfill an organizational process and not an environment for resident input, questions, or engagement. The meeting agenda was set up with little to no time for questions or input. MPHA staff stated they would write the questions from the presentations, answer the questions, and add the input to their input report. When attending residents asked questions, MPHA staff was dismissive, apathetic, and created a discriminatory environment. Furthermore, MPHA staff at certain points challenged residents' questions in front of the community meeting which created a hostile environment and reduced the number of hands raised to provide more comments. We at Defend Glendale could not only receive answer to our questions about the future of our homes, but received no follow up discussion with staff, no resolutions; no acknowledgment and no appreciation for bringing our concerns and voices to an official MPHA function. ·

We request:

- For MPHA to extend the comment process to 90 days and hold community meetings at Luxton Park in Glendale and other MPHA buildings during the evening so residents can participate. Provide equal services so residents input are documented.
- To publish all the meetings notices minimum 30 days in advance so all residents, and community members can attend. Provide notice at all channels and networks possible so everyone can have the opportunity to attend.
- MPHA's MTW status should be reviewed, audited, and evaluated and there should be a moratorium on their MTW status until the way MPHA has used their funds under the MTW Status has been reviewed, audited, and evaluated.

In closing, residents of Glendale Townhomes view Moving To Work status Minneapolis Public Housing Authority is viewed by Glendale Townhomes as anti-community engagement redevelopment process to create an environment of Disparate Impacts and furthering disproportionate "adverse impact" against the majority African, Southeast Asian, and African-American residents. MTW has been used a tool to misallocate to fully repair and rehab Glendale Townhomes. MPHA staff leadership has not been accessing local and national sources of funding to maintain and service Glendale Townhomes needs. They have been neglecting standard upkeep and improvements in the name of "Redevelopment by Operational Neglect." The Board of MPHA, Governor Dayton, HUD, and City of Minneapolis need to become aware of how the leadership of MPHA staff is causing a lot of hurt to residents of Glendale.

The Defend Glendale Option:

To fix and repair Glendale Townhomes, zero displacement, and zero privatization of Glendale Public Housing. This is the only option to preserve Glendale as public housing in Prospect Park as it is now, not to convert Glendale to any private development, not to sell it, and not to lease to any private developers such as Sherman Associates for profit. Defend Glendale Option is also zero displacement, and to eliminate systematic gentrification. Glendale has the historic distinction of being one of very few low-income public housing developments build as part middle to higher income neighborhood. Glendale is a model that should be replicated not demolished. Therefore, Defend Glendale voted, supports the historic designation, and its application process"to pursue historic designation at the City of Minneapolis.

RE: An Addendum to Formal response and complaint regarding MPHA FY2017 Draft moving To Work (MTW) Annual Plan process and Meeting

On August 23, 2016, Minneapolis Public Housing Authority (MPHA) held a public hearing about MPHA FY 2017 Draft MTW Annual Plan. Residents are asking to extend the comment process and public hearing to evening meetings at Glendale Townhomes and other sites. In order for MPHA staff to explain the draft plans thoroughly, since the process has been confusing and short, majority of residents could not attend the meeting or alternatively could not understand the impact these policies will have on their lives and housing status. Below are several of the many reasons why the public hearing and comment process must be extended.

Lack of interpreting services

MPHA staff did not provide interpreters for Somali, Oromo, or Hmong residents from Glendale Townhomes and other sites that attended the meeting. The residents had concerns and comments to express, and they were not able to express these without interpreters present. Only one resident who was there with another bilingual resident was able to receive some interpretation as both tried to participate in the meeting, and the bilingual resident was not a professional interpreter. This resident stated she did not understand what was going on. Executive Director Cora McCorvey told the board members that an interpreter was available, but no staff member bothered to check to see if residents needed interpreters, and no one tried to explain to residents what was going on after or during the meeting. The interpreter that was pointed out by McCorvey was bilingual staff who was not an independent professional interpreter, and therefore at risk of being biased towards MPHA. As a result, a lot of information was missed, and large portion of the residents who attended the meeting did not receive the information.

Public hearing during work day

The meeting was held at 1:30 p.m. on a Wednesday. It was a small meeting, and not a lot of residents attended because it was in the middle of the work-day. Public hearings are important for MPHA Commissioners and residents. As a result, hearings should be held in many locations and during different times to accommodate residents as well as board members. Specifically, more than one hearing is necessary, and some of these should be in the evenings.

Staff to explain MTW goals, the budget strategy & Public Housing Statement of Policies.

Residents from scattered sites and Defend Glendale found hidden unexplained key policies in the MTW draft. If approved by MPHA Board September 2016, the draft policies below will have an extremely negative financial effect on residents and put families in an undue economic hardship. MPHA leaders such as Cora McCorvey and Bob Boyd who approved such policies need to explain thoroughly and in detail the reasons behind these policies and their impact. Majority of residents have no idea about these changes.

Part I Definitions page 22: *“Insert new language in #4. Annual Income (24 CFR 5.609) - #17: The incremental earnings due to employment during a 24 month period following the date of the initial hire, “the first 12 months will be a 100% disregard and the following 12 months will be a 50% disregard” for families:”*

“Insert new language for #6 – Assets: “Interest, dividends, and other net income of any kind from real or personal property. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such

assets based on the current passbook savings rate, as determined by HUD. MPHA shall obtain 3rd party verification of assets upon admitting a family and at least every three years thereafter. During the intervening years MPHA may accept the families declaration of assets where the combined total is less than \$5,000.”

Part X, pg. 29. “5. Verification of Tenant’s Statements and Income – addition of language as follows: For asset income verification MPHA will seek third party verification of bank accounts “annually” when the total value of all assets is over \$5,000 “and every three years for assets when the combined total is less than \$5,000. Because banks do not timely provide 3rd party verification for bank accounts and other assets,” MPHA will review the “official” documents “provided by Tenants” to determine asset values.”

It is clear if the MPHA Board approves these policies, families and residents of MPHA will be forced into permanent poverty, will face major financial barriers to move out of public housing, and will not be able to save for their children's, education, or buy a home.

Other sections of the Policy draft changes include: Part II: Requirements for admission

Part IV: Preferences

Part V: Waiting list assignment plan & designation of buildings, etc.

<http://tinyurl.com/MPHA-MTW2016-mtng>

MPHA Response: General Comments about the Status and Future of Glendale

MPHA is committed to the long-term preservation of affordable housing at Glendale. We look forward to working with Glendale residents and the Prospect Park community to respond to the challenges facing Glendale, and to achieve a vision that preserves this critical housing resource for decades to come.

Glendale is a 184-unit aging townhome property built in 1952, that faces major infrastructure and systems challenges. These are exacerbated by severe cuts Congress has made over the years to public housing operations and capital dollars. HUD has required housing authorities to conduct an independent Physical Needs Assessment (PNA) on all public housing properties. The recently completed PNA for Glendale identified over \$15 million in unmet capital needs—an amount that would overwhelm the \$10 million annual capital funding MPHA has been awarded for our entire 6,000-unit portfolio.

MPHA is deeply committed to addressing all work-orders and maintaining the quality of life at Glendale at the best level possible. However, the level of need, the fundamental nature of the facilities challenges, and the shortfall of capital and operating funds from HUD require MPHA to identify long-term strategies for preserving affordable housing in Glendale. Current federal, state, and local funding sources for public housing unfortunately do not support a “fix and repair”-only option that some residents understandably prefer. Nor would this represent sustainable or sound stewardship of public dollars, or honor the MPHA’s mission—which includes our duty to the many future Minneapolis families whose housing needs we can meet by making wise investments today. Accordingly, MPHA’s board and executive leadership remain engaged in an extensive, in-depth process to find the best solution for the challenges facing Glendale. While any such change would be years away, should a redevelopment occur, all current families would be guaranteed housing throughout the process and a right to live in Glendale afterward if they choose.

Residents have provided MPHA with a ‘fix and repair’ list and raised concerns about sufficient insulation of their homes. MPHA staff engaged in an expedited annual inspections protocol to identify specific maintenance repairs and identify matters related to residents’ concerns. We addressed the immediate items through issuing work-orders, we forwarded others to the Facilities and Development department to be considered as a part of MPHA’s priorities for use of capital funds.

Throughout its history MPHA has been – and will continue to be – a champion and advocate of cultural diversity and strong communities. At Glendale, MPHA has played a lead role in developing opportunities for residents to enhance and improve their lives: MPHA established the PICA Head Start facility in Glendale, supports Luxton Park, pays for office space at Luxton Park for Eastside Neighborhood Services to offer programing and support to Glendale families, financially supports the Glendale Food Shelf, worked to help preserve Pratt School, and has been a good partner with Prospect Park.

MPHA seeks not only to sustain those achievements but to enhance them as we work with residents and the community to create a vision for Glendale that responds to the current needs and dreams of the community but which also anticipates the future. It is this vision and the very real challenges facing Glendale that requires MPHA to engage with residents and the community. MPHA’s goal is to ensure the preservation of Glendale as place where very low-income families can make their homes for generations to come.

MPHA Response: Comments Related to Community Engagement, Accessibility, and Opportunities for Input on the Draft 2017 MTW

We believe all residents should have an opportunity to understand and to respond to decisions that affect them. MPHA always aims to not just meet but to exceed HUD requirements for resident involvement, and we have done so in this case. Nonetheless, we welcome critical feedback and will always look for reasonable ways to improve within the constraints of our deadlines and resources.

With regard to its Draft 2017 MTW Plan outreach and resident engagement, MPHA has done the following:

- *At its January, 2016 meeting, our Board of Commissioners appointed the MTW Resident Advisory Board (RAB).*
- - *The RAB consists of representatives from: the Minneapolis Highrise Representative Council (MHRC), Minneapolis Scattered Site Resident Council (MSSRC), Glendale Residents Council (GRC), Section 8 Participants, Tenant Advisory Committee (TAC), Security Advisory Committee (SAC), and Management, Maintenance and Modernization(MMM) Committee.*
 - *Representation on RAB is decided by election from the various Resident Councils and their respective committees. The TAC chair is an automatic representative as is the MHRC President.*
 - *The Section 8 Program does not have a formal organization; MPHA looks for volunteers to serve on RAB.*
 - *Glendale does not have a formal resident council at this time. The MPHA has worked and will continue to work with Glendale residents to elect a resident council as defined under HUD regulations.*
- *MPHA MTW RAB meets monthly, then biweekly as the planning process moves forward.*
 - *RAB Actions included:*
 - *Approved Guiding Principles and Priorities (sent to all MPHA Department Heads as part of the Draft MTW Plan process);*

- *Development and Review of Draft MTW Plan prior to posting;*
- *Approval of and final comments on the MTW Plan.*

- *In the Minneapolis Star-Tribune (the city's largest and dominant newspaper) MPHA published the Notice of Public Hearing and Comment Period, with Links to the Draft MTW Plan Revised Draft Statement of Policies (ACOP), and Revised Draft Section 8 Administrative Plan.*
- *Published Notice of Advance Meeting – The “Advance Meeting” is an open meeting for MPHA Residents, Section 8 Participants and others to hear presentations on Draft MTW Plan, proposed changes to the SOP and Section 8 Administrative Plan.*
- *Notice of Advance Meeting – Public Hearing and Comment Period was included in the August Rent Statements sent to all MPHA Public Housing Residents. The notice was translated into Somali. In addition, on all notices MPHA included a “language block” in 4 languages that states that this is an important document and to contact MPHA for free language assistance. Also MPHA invited residents and participants to contact MPHA at a specific number if they needed interpretation services (including hearing-impaired) during these important meetings.*
- *A random Selection of 200 Section 8 participants received a letter that included “Notice of Advance Meeting – Public Hearing and Comment Period.” The notice stated that Somali interpreters would be present at the meeting, and provided contact information for requests to have other language interpreters present.*
- *Advance Meeting Notice stated that MPHA would provide a lunch and fixed transportation stipend to those who attend.*
- *At the August 16, 2016 Advance Meeting over 95 residents and participants signed in. Prior to the start of the meeting, MPHA introduced interpreters in Hmong, Somali, Oromo, and Hearing Impaired.*
- *MPHA's Draft 2017 Moving to Work (MTW) Capital Fund Plan and Policy Review and Meeting Notice: This notice was posted on Bulletin Boards in all MPHA highrises and in Management Offices to provide notice of Advance Meeting, inform residents that copies of the Draft MTW Plan and Revised SOPs are available in the Management office, provide a link to these documents on MPHA's Website, and inform residents about the Public Hearing before the Board, the comment period, and how to comment in person, in writing, and by e-mail.*
- *MPHA provided copies of the Draft MTW Plan and summary of changes to the SOPs to all 30+ resident council presidents along with information about the Advance Meeting, Public Hearing and links to the Website where all documents are posted as well as information on how to comment.*
- *MPHA sent e-notices to various social services agencies, community advocates including Legal Aid and others who have interacted with MPHA with Links to our Draft MTW Plan and Revised Drafts of SOPs and Section 8 Administrative Plan, notice of the public hearing and information on how to comment. This document went to over 250 organizations and individuals, including the Defend Glendale leadership and some 60 attendees of over six community meetings held in Glendale in 2015, who provided their e-mail addresses on the sign-up sheets at those meetings.*

- *In addition, MPHA hosted an Evening Meeting at Heritage Park Health and Wellness Center at 6:30 p.m. on Tuesday – August 23, 2016. Notice was mailed to all 184 Glendale Families, 750 Scattered Site Families and 200 randomly selected Section 8 participants. Prior to the start of the meeting, MPHA introduced interpreters for Hmong, Somali, Oromo, and Hearing Impaired attendees. Seventeen residents of scattered site homes attended the meeting. As has been our experience, MPHA found that the evening meeting was not well attended, whereas daytime Advance meetings often draw between 100 and 175 participants.*

MPHA chose the Heritage Park Health and Wellness Center as the host site for these meetings because it offers the largest meeting space, has the best audio and presentation equipment, and is suitably central to the almost 6,000 public housing units and 5,000 Section 8 Housing Choice Voucher holders who participate in MPHA's programs.

MPHA recognizes that we have a considerable amount of material to cover in these meetings, some of which may be somewhat technical. We have and will continue to work for the right balance between our obligation to present the full plan, and our desire to keep the presentation accessible, useful, and meaningful. All residents have full access to the drafts, and can ask questions of the MPHA directly or via their resident councils. MPHA strives to provide in good faith all materials requested by residents or the public, to the extent allowed by law, and believe we have complied with all requests to-date.

Presenters will make every effort going forward to be heard adequately through the sound system, and move at an appropriate pace that still allows us to cover the material in a reasonable time. For all MPHA employees, including our senior leaders, our goal is always to interact with residents in a context of mutual respect. Even when there are disagreements, we will continue to strive for this standard in every interaction.

As the bullets above convey, we believe MPHA has made reasonable efforts to provide interpretation when participants request it, and to provide Somali interpretation by default in all critical contexts. MPHA employees are well versed in public housing and Section 8 issues and terminology and therefore are the best resource for providing full, accurate, and fair interpretation of our materials.

MPHA faces a strict deadline from HUD to submit our MTW plan each year; it is thus impossible to extend the comment period as some comments request. However, we must update MPHA's MTW plan and submit it for review on an annual basis; residents and others have this recurring opportunity each year to contribute to the process. One comment suggests that MPHA's MTW activities should face a moratorium until its performance is reviewed; in fact, a review and evaluation of our MTW plan and performance is exactly what we undergo from HUD on an annual basis.

MPHA believes its efforts to promote resident, participant, and community involvement have been and continue to be far-reaching and effective in providing opportunities to impact the Agency's MTW Plan and administrative policies. We are grateful for feedback that will help us continue to improve.

MPHA Response: Comments Related to Short and Long-Term MTW Goals

Some comments expressed concerns about language in MPHA's Draft MTW Plan that it was not pursuing RAD (Rental Assistance Demonstration) for Glendale at this time, and MPHA's subsequent reference to "Voluntary Conversion" during our Capital Fund presentation.

In 2015-16, the MPHA retained a consultant to conduct an analysis of financial models that that could identify possible options for rehabilitation or redevelopment of Glendale. The consultant's report found that the only way any financial models could be feasible was if Glendale was converted to project-base Section 8. HUD has a program "Voluntary Conversion" that could potentially bring significant resources should the MPHA Board consider a major rehabilitation or a redevelopment of Glendale. However, Voluntary Conversion includes a number of requirements before HUD would consider approval; the first of these is a financial test. In order to perform its due diligence on this potential option, MPHA staff informed the MPHA Board that it would conduct the financial test. This is the only action taken to-date. MPHA has not decided to pursue Voluntary Conversion, nor do we know yet whether the option would even be available to us. The only impact of this action by MPHA is to determine if Voluntary Conversion is a tool the Board might be able to consider for improvements to Glendale. Consideration of options for Glendale is at the early stages of a complex process; we have made no determinations with regard to funding mechanisms, design, or timing, and the ability to conduct any work is likely years away.

MPHA Response: Comments Related to Specific Proposed Changes to the SOPs and their Impact on Glendale Families:

One comment expressed concerns about changes to income and asset definitions, and a policy on verification of assets. These changes are necessary to reflect recent changes in HUD regulations. The change in Annual Income reflects the change in regulation regarding the "Earned Income Disallowance" which allows for a phased-in rent increase for a family:

- a) Whose income increases as a result of employment of a family member who was previously unemployed for one or more years;*
- b) Whose income increases during participation of a family member in any economic self-sufficiency or other job training program;*
- c) Who are or were, within the last 6 months, assisted under a State TANF or Welfare to Work program.*

For the first 12 months MPHA would not take into account when determining rent, any increase in earned income, and for the second 12 months MPHA would only take into account 50% of the increase in earned in when determining rent.

These changes were made to reflect recent changes in HUD regulations. The changes with regard to when MPHA must seek 3rd party verification of assets is a change in HUD requirements that has no new impact on the calculation of rent, and does not change the definition of an asset. The definition of specifically excludes the "value of personal property such as furniture and automobiles."

None of these changes reflect MPHA use of MTW authority.

Legal Aid Comments and MPHA Responses

RE: MPHA Draft FY2017 Annual Moving To Work Plan
MPHA Draft FY2016-2017 Low-Income Public Housing Statement of Policies
MPHA Draft FY2016-2017 Section 8 Housing Choice Voucher Administrative Plan

Mid-Minnesota Legal Aid of Minneapolis assists over 5,000 low-income residents of Hennepin County annually. Many of our clients apply to and participate in Minneapolis Public Housing Authority (MPHA) housing programs. As such, we are writing to you on behalf of our clients about MPHA's Draft FY2016 Moving To Work Plan (MTW Plan), MPHA Draft FY2016-2017 Low-Income Public Housing Statement of Policies (ACOP) and MPHA Draft FY2016-2017 Administrative Plan for the Section 8 Housing Choice Voucher Program (Admin Plan).

We encourage MPHA to make the following changes to its Plans and related policies and documents to enhance its current policies in order to better serve applicants, participants and owners; as well as to comply with applicable laws.

In some instances, we have noted policies that do not comply with applicable law. This letter provides notice to the MPHA that if a particular policy, practice or procedure remains uncorrected and an applicant, resident or participant seeks our assistance with the resulting harm, we will not provide further notice to the MPHA of the offending policy, practice or procedure. We will advise our client of his or her administrative and/or judicial remedies and assist them as appropriate since the MPHA has had prior notice of the issue and repeated opportunities to change course.

If our comments raise any questions, please do not hesitate to contact us for clarification.

DRAFT FY2017 ANNUAL MOVING TO WORK PLAN ("MTW PLAN")

P.10-13

Why don't any of the MPHA's strategic directions or the multiple goals set for each strategic direction address the MPHA's legal obligations to affirmatively further fair housing or what the MPHA plans to do to facilitate public policies favoring deconcentrating areas of race and poverty in Minneapolis?

MPHA Response: Affirmatively Furthering Fair Housing (AFFH) is part of the fabric of MPHA's operations and informs all of the agency's actions. MPHA will be conducting an Assessment of Fair Housing (AFH) and developing a AFH plan in accordance with the requirements under the AFFH rule.

P.20

The MPHA describes its use of rent based on 20%, rather than 30%, of annual income to respond to its leasing barriers at 1710 Plymouth high-rise. Has the lowered rent for those units perceived to be less desirable improved vacancy rates at the 1710 Plymouth building?

Why is the MPHA unable to assess the success or failure of its strategy of filling 1 BR units in a building with current residents who have lived the longest in the less desirable efficiency units in the building after 2 years? A major national criticism of the Moving to Work Demonstration is the lack of evaluation or assessment of the various experiments carried out on public housing applicants and residents by participating PHAs. How does the MPHA propose to determine if this particular strategy effectively addresses the problem it identified as the cause of its vacancy rate in these units? If a strategy cannot be assessed for success or failure to resolve a problem, why is that strategy still in use?

MPHA Response: MPHA's decision to charge 20% of income at 1710 was approved by HUD over 10 years ago and has produced the desired result: lessening the vacancy rate for those units.

The filling of the one bedroom units by transferring from studio units is not an MTW initiative and does not require a formal evaluation as may be required for MTW initiatives. It is a policy change that MPHA implemented and we are allowing more time to determine whether or not we should continue with this change.

P.21

On September 14, 2015, the MPHA stated that it expected to hire its Coordinator for its (then) new Mobility Voucher Program at the start of Fiscal Year 2016. It appears that this did not happen and the Mobility Voucher Program has been redesigned again with a different configuration of staff to be hired. What date is now projected for this new plan to begin serving participants? See also *infra* P.48.

MPHA Response: We have revised the Mobility Voucher Program and the job description and added another position, Community Engagement Coordinator (Owner Recruitment) for this program. We anticipate posting before the end of 2016.

The design/redesign of the Mobility Voucher Program needs to be more engaged with the community. The difficulties encountered by participating families in placing their Vouchers in areas of their choice is a significant subject of concern for participants, owners, community advocates and community stakeholders. It is a topic under discussion in a variety of contexts in our city and the metropolitan area as we all try to improve affordable housing. The MPHA's obligation to affirmatively further fair housing is bound up in all of these discussions. The MTW Plan says a consultant was not hired for the redesign. Who did have input on the redesign? We urge the MPHA to engage all of the parties described above within the next six (6) months about the Mobility Voucher Program and its goals, design, operation, progress and effectiveness. See also our comments *infra* P.49.

MPHA Response: Thank you for your comments.

P.36

In paragraph 9, the MPHA has deleted the RCAP criterion used to determine permissible moves out of Minneapolis under the restricted porting rights of the Rent Reform Initiative. MPHA has replaced it with two new criteria. The first is a criterion in which moving to an "Area of Opportunity" is an approved reason for

porting outside Minneapolis. The MPHA defines an Area of Opportunity as a census tract where less than 40% of the population is at or below 185% of the federal poverty level.

The second new criterion MPHA proposes prohibits porting out of Minneapolis to a census tract of concentrated poverty with 50% or more people of color. This limitation must be deleted. Voucher participants should be given the widest possible choice for their housing search. This will serve the MPHA's obligation to affirmatively further fair housing and to avoid disparate impact under the Fair Housing Act when families' choices are restricted with this race-based criterion.

MPHA Response: The change in language from “Racially Concentrated Areas of Poverty” (or “RCAP”) to “Area of Opportunity” was made to promote participant family moves to communities of greater opportunity. The definition of RCAP is actually the same as the definition of Area of Opportunity. We have reworked the language for clearer meaning.

How many MTW Voucher holders requested to port based on the RCAP criterion after it was added to the Rent Reform experiment in September 2015? How many of those requests to port based on this criterion were granted?

After the MPHA added the RCAP criterion to its 2015 Annual Plan, the MPHA assured us in its responses to our 2015 comments that the RCAP criterion would be added to the MPHA website and the Admin Plan. The RCAP criterion never made it on the MPHA Section 8 website, or into many of the porting materials used in the MPHA Section 8 Program. As recently as August 29, 2016, <http://www.mphaonline.org/section-8/participants/hcv/moving-with-assistance/> informed participants that “In order to be approved to port out of Minneapolis, you must have a reason related to employment, education, safety/VAWA, medical/disability, or housing affordability. Housing affordability means the family will be approved to port out if their rent portion is greater than 40% of their monthly adjusted family income and they are moving to a jurisdiction in which the FMR is at least 5% less than the FMR in Minneapolis.” The RCAP criterion is notably missing. The Participant Forms listed on the MPHA website at <http://www.mphaonline.org/section-8/forms/> accessed on August 29, 2016, did not include a Portability Request Form. By searching the Moving with Assistance page one can eventually get to a “Portability Request Form 2016” that contains the draft integrative move criterion from the Draft FY 2017 MTW Plan.

MPHA Response: Thank you. MPHA will assure that the correct portability criterion and forms are added to the MPHA website and placed in all appropriate sections of the Admin Plan.

The criteria for porting out of Minneapolis discussed in this section of the Draft FY2017 MTW Plan do **not** appear in the Draft FY2016-2017 Admin Plan on P.10-9 where “MTW Policy—Eligibility for Port Out” is described. The very important criterion related to integrative moves is not mentioned at all. Whatever the Board finally adopts for this important issue this year, it must broadcast it to all participants and describe with specificity consistently throughout the MPHA's Administrative Plan, the MPHA website and the MPHA's policies, practices and procedures.

In its response to our 2015 comments the MPHA said the RCAP criterion would not go into effect until January 1, 2016. Why was it not effective upon adoption by the MPHA Board on September 23, 2015, or upon submission of the Annual Plan to HUD on October 15, 2015? When will the new criterion “Area of Opportunity” proposed in the FY2017 Annual Plan be effective?

MPHA Response: HCV's policies go into effect on January 1 of the new fiscal year and after HUD approval.

P.39

We have previously asked for a shorter than 30-day period for a decision by the Hardship Review Committee, explaining why such a long period for a decision puts tenancies at risk. The response we received is the MPHA has not seen it happen so has no reason to anticipate it will. This response fails to recognize that the consequences we described for our clients in hardship situations waiting 30 days for a decision from the MPHA staff are going to end up evicted or in dire financial straits and stressful situations that will not be brought to the MPHA's attention. We ask again that you recognize the fact that the hardship involves critical time factors and shorten the time period for your staff to reach a decision on a hardship request. A time period of 10 business days for the MPHA's committee decision does not seem unreasonable considering the risks for the resident.

MPHA Response: MPHA will make the change.

P.48

In September 14, 2015, the MPHA responses to comments stated that it was hiring a Coordinator for the Mobility Voucher Program at the start of FY2016 and apparently did not. The MPHA also stated in its 2015 responses that it did not plan to change the criteria for this Program but it appears that it clearly has. Why did the MPHA decide to change the criteria for this program? See also *supra* P.21.

MPHA Response: We revised the Mobility Voucher Program to include monetary incentives, added an additional staff person, and will incorporate an evaluation component.

Additional Comment – No P. Number

There is nothing in the Draft MTW Plan describing the criteria the MPHA will use to determine “substantial deviation” and “significant amendment or modification” of its Plan as required by 24 C.F.R. § 903.7 (r)(2) (2015).

MPHA DRAFT FY2016-2017 LOW-INCOME PUBLIC HOUSING STATEMENT OF POLICIES (“ACOP”)

P.1

In paragraph 2, the MPHA states it has adopted a Policy Against Discrimination, Harassment and Retaliation. This Policy is not in the Draft FY2016-2017 ACOP. Although noted in the final ACOP adopted for FY 2015-2016 (Board approved 9/23/2015), this Policy does not appear there either. Please tell us where this Policy is located for public access and provide us with a copy by US mail or an electronic version by e-mail.

MPHA Response: Thank you for your comment. The statement speaks for itself. There reference to the policy has been removed.

P.13

The definition of “Formal Repayment Agreement” is incomplete. The definition is drafted to describe the terms of a repayment agreement so the definition must include those terms mandated by HUD in PIH 2010-19. The definition must include the limitation on the amount of the monthly payment that MPHA may require: “The monthly retroactive rent payment plus the amount of rent the tenant pays at the time the repayment agreement is executed should be affordable and not exceed 40% of the family’s monthly adjusted income.” HUD Notice PIH 2010-19 “Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System”, p.15 (May 17, 2010), extended in HUD Notice PIH 2015-2 (January 9, 2015). The HUD Notice is not discretionary on this point. If the MPHA chooses not to make the necessary revisions to comply with the law it risks use of MPHA’s resources to defend legal challenges to its choice.

MPHA Response: While HUD guidance states that the amount should be affordable and not exceed 40 percent of the family’s monthly adjusted income, this is not a requirement.

P.13

The definition of “Head of Household” is incorrect unless the final sentence of the paragraph is deleted. While the family must use the public housing unit solely as its private dwelling, 24 C.F.R. § 966.4 (f) (2016), there is no legal authority for eviction of the family when the Head of Household is temporarily away from home for more than 90 days. There is no statute or regulation equating a temporary absence of a Head of Household for more than 90 days with a change of residence by the Head of Household. This is an individual fact issue in which the MPHA must make an individual determination if a particular person has changed his/her residence and then deal with the remaining family members as the federal regulations dictate. A blanket ground for eviction as formulated in the final sentence of this definition is overly broad.

When the need to revise this definition was raised with the MPHA in the past, the MPHA did not provide any legal support for its position. Perhaps this definition is rooted in the MPHA’s former policies and enforcement actions around its “Absence from Unit Initiative” that it has now recommended to its Board be “closed out”, Draft FY2017 MTW Plan P.56. If this definition is not revised the MPHA risks use of MPHA’s resources to defend legal challenges to it.

MPHA Response: Thank you for your comment. We have moved the language to the Lease Termination section.

P.17

The definition of “Notice” is extremely confusing as written. At best it appears to be an effort to preclude a tenant’s exercise of her due process rights during adverse actions by the MPHA by essentially starting the appeal clock ticking at some point arbitrarily designated by the MPHA “notwithstanding” provisions of its own Lease or SOP provisions. Questions raised about this in the past brought the responses from the MPHA that HUD does not define notice or reasonable and the MPHA’s definition is reasonable. If the MPHA chooses not to revise this section it risks use of MPHA’s resources to defend legal challenges to its choice.

MPHA Response: Thank you for your comment.

P.18

The reference “see page 58” at the conclusion of definition 80 appears to be erroneous.

The definition of “Retroactive Rent” attempts to shifting responsibility to the resident for loss of rent revenues resulting from MPHA error. If rent calculations are incorrect due to the actions or inactions of the resident, then the resident ought to bear responsibility for payment of the correct amount of rent owed. If the rent calculation is incorrect due to action or inaction by the MPHA then there is no rationale for collecting payment from the resident. In fact, 24 C.F.R. § 966.6 (2015) specifically prohibits exculpatory clauses in public housing leases. The MPHA cannot insert such a clause through its ACOP definition. The MPHA’s choice to adopt this policy without necessary revisions risks use of MPHA’s resources to defend legal challenges to it.

MPHA Response: The reference “see page 58” has been removed and revised. Thank you for your comment regarding the definition of “Retroactive Rent.”

P.20

The definition of “Homeless Family” is incorrectly included within the unrelated definition of “Substandard Housing” at subparagraph D. The definition of homeless family should be a separate term in Part 1 of the ACOP. If the definition of homeless family the MPHA intends to use is the federal definition, as found in the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), the text must be revised. The final rule implementing the HEARTH Act is at 76 F.R. 75995 (December 5, 2011).

MPHA Response: Thank you for your comment.

P.24

In paragraph D. 7) the MPHA conflates vacating when evicted or given a notice of termination “for cause” with vacating when a lease is not renewed because it has reached the end of its term and there has not necessarily been any allegation of cause attributed to a tenant’s breach or misconduct. If the MPHA is seeking to limit the admission of those who vacate after receiving an eviction complaint or a notice of lease termination for alleged misconduct or breach, then the criterion should clearly state that. As written, a tenant who vacates after her landlord chooses not to renew her lease for any number of reasons having nothing to do with the tenant’s conduct is excluded from MPHA housing for 5 years. The MPHA assumes negative information about an applicant without any factual basis to do so. The MPHA’s choice to adopt this policy risks use of MPHA’s resources to defend legal challenges to it.

Revise paragraph D. 19) to comply with HUD instructions in HUD Notice PIH 2015-19 “Guidance for Public Housing Agencies (PHAs) and Owners of Federally-Assisted Housing on Excluding the Use of Arrest Records in Housing Decisions” (November 2, 2015) and “Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions” (April 4, 2016). The MPHA’s choice to adopt this policy without necessary revisions risks use of MPHA’s resources to defend legal challenges to it.

MPHA Response: Thank you for your comment.

P.25

Revise paragraph E. 4) to exclude any alleged debt to the MPHA that is unenforceable because it is barred by the statute of limitations or has been discharged in bankruptcy. Also include in this paragraph information to the alleged debtor about her rights to challenge any alleged debt to the MPHA as provided in HUD-52675. Failure to revise the Draft places MPHA's resources at risk to defend legal challenges to this position.

MPHA Response: Thank you for your comment.

P.26

In paragraph 5.C., delete "...may waive the right to further judicial review." Applicants are not legally required to exhaust administrative remedies so choosing to bypass the MPHA's applicant admission appeal process does not constitute waiver. Failure to revise the Draft places MPHA's resources at risk to defend legal challenges to this position.

The informal hearing process elements in subparagraph D. 2) b) must be revised to include the right to provide both oral and written arguments to comply with the due process requirements of *Goldberg v Kelly*, 397 U.S. 254 (1970). The complainant in the hearing has the right to determine how best to present her position, the MPHA cannot make that choice for her. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: Thank you for your comment.

P.27

Add a subparagraph to 5. referencing the MPHA's VAWA policy at Part XII of the ACOP. The applicant appealing an admission denial must know that she has the right to ask for the protections of VAWA in the informal hearing if applicable, just as the policy already references the MPHA Reasonable Accommodation Policy informing a person with a disability of the right to seek the protections of reasonable accommodation if applicable. The MPHA's choice to adopt this policy without revision risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: Thank you for your comment. A subparagraph has been added referencing MPHA's VAWA Policy.

P.31

The Income Targeting paragraph at 3. is incorrect. The definition of "Extremely-Low Income" (ELI) was changed by the Streamlining Rule published on March 8, 2016, and is included in HUD Notice PIH 2016-05 "Streamlining Administrative Regulations for Programs Administered by Public Housing Agencies" (April 7, 2016), p. 5. Targeting must result in at least 40% of MPHA residents being ELI. The definition of Extremely Low Income at #35, P.12, of the Draft 2016 ACOP is correct and must be the definition used at 3. on P.31. Failure to revise the Draft places MPHA's resources at risk to defend legal challenges to this position.

MPHA Response: Thank you for your comment. We have changed the Income Targeting definition information.

P.32

The MPHA has changed the number of offers in paragraph 5. D. 1) from 4 units to 2 units in line one of the subparagraph. There are 4 offers in line two. These sentences must be consistent to avoid confusion.

Since the consequence of turning down the 2 offered units, removal from the waiting list, is very harsh the MPHA should include the possibility of remaining on the waiting list if the units offered present a hardship to the family. If the offers were turned down for reasons based “solely on the fact that the unit previously offered would place a hardship on the family because the location is not accessible to the family’s employment, job training, day care, child’s education facility, or medical or support services”. These are the reasons the MPHA has proposed adding to the 2016 ACOP, Part VIII. F. 2), P.45. These are hardship reasons are also good reasons to keep a new resident family on the waiting list rather than imposing the ultimate penalty of removal from the waiting list.

MPHA Response: We have made revisions to paragraph 5.D.1) to address your concerns.

P.34

The MPHA policy stated in subparagraph 1. C. violates Federal regulations 24 C.F.R. §§ 966.51 (1)(a)(1), 966.51 (a) and 966.53 (a) (2016) in its effort to limit the grievance rights of a resident/tenant. The resident/tenant has the right to grieve the denial of an addition to her family. The MPHA must revise this section to comply with the law. See also *Saxton v. Hous. Auth. of City of Tacoma*, 1 F.3d 881 (1993). The MPHA’s choice to adopt this policy without revision risks use of MPHA’s resources to defend legal challenges to it.

Revise the incomplete statement in paragraph G.1. about Social Security Numbers (SSNs) to include the two 90-day periods the MPHA is obligated to allow a person who has to produce a SSN for a child under 6 years of age. See “Streamlining Administrative Regulations for Public Housing, Housing Choice Voucher, Multifamily Housing, and Community Planning and Development Programs”, 81 F.R. 12354 (March 8, 2016) and HUD Notice PIH 2016-05 “Streamlining Administrative Regulations for Programs Administered by Public Housing Agencies” (April 7, 2016), p. 4. The MPHA’s choice to adopt this policy without necessary revisions risks use of MPHA’s resources to defend legal challenges to it.

MPHA Response: Subparagraph 1.C has been changed in an attempt to make the policy clearer.

P.35

The MPHA cannot terminate a family’s lease for the reason proposed in subparagraph 2. F. The MPHA must revise this section. The only reasons for termination by the MPHA are set out in 24 C.F.R. § 966.4 (l) (2016). The permanent absence (excluding death) of the head of household within 3 years after an adult is added to the household relied on as a basis for termination of the tenancy of the remaining family by the MPHA is not among the exclusive bases for termination provided in the law.

With the exception of live-in aides whose incomes are not included in the calculation of rent, remaining household members do not have diminished rights based on the MPHA’s creation of a subclass of residents it labels “add-ons”. Remaining family members qualify as residents for continued occupancy so long as at least one of them are legally able, by age and capacity, to execute a lease and they are in compliance with resident obligations. See HUD Public Housing Occupancy

Guidebook, Pp. 170-71, 175-76, and App.III. The MPHA's choice to adopt these policies stripping remaining family members of their legal rights without revisions risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: 24 C.F.R. § 966.4 (I) does not prohibit MPHA from terminating the lease for the reason proposed in this paragraph. This provision is necessary to promote fairness to those on the wait list and maintain wait list integrity.

P.36

The MPHA cannot terminate a family's lease for the reason proposed in subparagraph 2. G. The MPHA must revise this section. The only reasons for termination by the MPHA are set out in 24 C.F.R. § 966.4 (I) (2016). The permanent absence (excluding death) of the head of household within 3 years after an adult is added to the household relied on as a basis for termination of the tenancy of the remaining family by the MPHA is not among the exclusive bases for termination provided in the law.

With the exception of line-in aides whose incomes are not included in the calculation of rent, remaining household members do not have diminished rights based on the MPHA's creation of a subclass of residents it labels "add-ons". Remaining family members qualify as residents for continued occupancy so long as at least one of them are legally able, by age and capacity, to execute a lease and they are in compliance with resident obligations. See HUD Public Housing Occupancy Guidebook, Pp. 170-71, 175-76, and App.III. The MPHA's choice to adopt these policies stripping remaining family members of their legal rights without revisions risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: Please see response above.

P.37

Delete paragraph 3 because the MPHA has closed out its Absence from Unit Initiative according to the Draft FY2017 MTW Plan, P.7 and P.56.

MPHA Response: Thank you. The change has been made.

P.39

Delete subparagraph C. 7) reference to "Income Tax Records". The MPHA may not access federal taxpayer returns and return information. **26 U.S.C. § 6103 (I)(7) (2016) provides access to HUD only, not the MPHA. The terms of the HUD 9886 release in paragraph 2 at (3) limits tax information access to HUD only.** The MPHA's choice to adopt this policy risks use of MPHA's resources to defend legal challenges to it.

Delete reference to escrow of rent in C. 9). The final rule "Streamlining Administrative Regulations for Public Housing, Housing Choice Voucher, Multifamily Housing, and Community Planning and Development Programs", 81 F.R. 12354 (March 8, 2016), removed 24 C.F.R. § 966.55 (2015) which included at (e) the rent escrow rule.

MPHA Response: Thank you for your comments regarding subparagraph C. 7) and C.9).

P.42

In paragraph 9., add a reference to the “Security Deposit Schedule” location in the ACOP so a reader can easily find it.

In paragraph 10., add a reference to the “Pet Policy” location in the ACOP so a reader can easily find it.

MPHA Response: Thank you the references have been added.

P.43

In section 1. E. of the transfer policies the MPHA proposes a resident transferring from one MPHA unit to another must move within three (3) days. The MPHA should make the time period the resident has to move longer than three (3) days. Such a short time to move is an extreme hardship. In addition, the MPHA should clearly identify when this lengthened time period begins.

When a more tenant-friendly deadline to making a transfer move was requested in the 2015 Plan process, the only reason the MPHA gave for refusing to do so was the lack of any complaints from tenants about the three-day (3-day) deadline. It is a mistake to interpret lack of protest from residents as resident endorsement or approval of a MPHA action. The experience of our clients who have sought a transfer is one in which they are so relieved to finally get to move after very lengthy waits that they hesitate to express any needs or concerns known because they fear receiving a negative response from MPHA management including fear of losing the long-awaited transfer.

A move within three (3) days, even for a household with modest furnishings, poses a hardship for a household with extremely limited resources. Revision of this policy could easily relieve this hardship with addition of a few days. The levying of “holdover fees” or \$10/day or \$40/day on the transferring family that cannot meet the three-day (3-day) deadline to move only adds insult. With a more reasonable period to complete the move, more households could avoid the financial penalties these charges entail.

MPHA Response: Thank you for your comment. We respectfully decline to make the change.

P.44

The transfer fee the MPHA proposes imposing upon residents is described as “an administrative and maintenance fee” to make the unit the resident is leaving “ready to rent”. The transfer fee, Sales and Service Charge Schedule, Appendix “C”, 12., P.114, is \$400 for residents who have lived in MPHA housing fewer than five (5) years and \$200 if a MPHA resident “for 5 & 10 years”. These fees are unreasonably large. Levying a flat penalty amount like this to cover maintenance costs to ready the original unit for a new resident has no relationship to the condition of the individual unit vacated and thus, is a disproportionate and unenforceable liquidated damage, not the fee for necessary maintenance or repair of the particular unit.

If the transfer fee is imagined to cover actual maintenance needed to ready the unit for a new resident, why is the higher fee required for the unit occupied for shorter time. The unit occupied for the shorter time ought to require less maintenance unless the actual conditions of the unit have nothing to do with the fee

assessed. This difference in fees between less than five years and more than five year tenancies supports the conclusion that these fees are imposed to discourage transfer requests and to limit moves that cannot be denied in any other administrative way. The transfer fees must be revised.

In paragraph 2. B., the MPHA again proposes only three (3) days for a move-out if a resident must vacate due to modernization or demolition activities by the MPHA and the resident rejects the units offered by the MPHA as replacement units. This short move-out deadline is as unreasonable as the three-day (3-day) move at P.43. See our comments *supra* at P.43, regarding 1. E. These are not emergency transfers covered in paragraph 2.A. and the MPHA has lead-time to carry out its modernization and demolition activities that can easily accommodate a move-out deadline for residents that is less punitive.

MPHA Response: Thank you for your comment. We respectfully decline to make the change

P.49

In 4. H., the MPHA proposes that there be no rent decrease for income reductions lasting between 30 and 120 days. The MPHA proposes instead that a manager will approve “a credit adjustment for the loss of income.” How will this process work with paragraph 2, especially 2. D. on P.75? It is very important that a resident is not subject to eviction complaints because the rent was not decreased when loss of income was reported. Even if the MPHA strikes the eviction complaint when its error is discovered, and does not use in the complaint in the eviction tally of paragraph 2. D. at P.75, the resident should not have to file an expungement motion to correct the MPHA’s error and clear her tenant record. These sections must be made consistent.

MPHA Response: Thank you for your comment.

P.51

Paragraph 1 must be revised. The MPHA no longer has the authority of its “Absence from Unit Initiative” granted in the MPHA’s MTW Amended and Restate Agreement, Attachment C., paragraph 11, for disallowance of rent reduction based on loss of income due to absence from the unit for over 30 days.

The MPHA’s interest in who lives in the rental unit, who is temporarily absent and who no longer resides there, is relevant to its obligations to verify income for accurate rent calculation. However, although the family is required by law to inform the MPHA of who lives in the home and who no longer lives in the home, 24 C.F.R. §§ 966.4 and 960.259 (2016), the family is not required by law to seek pre-approval from the MPHA for any individual family member’s absence. The family is not required by law to provide verification to the MPHA of the need for an individual family member’s absence.

In this paragraph the MPHA states some absences of some family members for some periods must be authorized by the MPHA. The MPHA asserts authority to terminate a lease for failure to give advance written notice of an absence of more than 30 days without any legal basis. The MPHA has no legal basis for the intrusions into residents’ family life described in the proposed paragraph beyond the provisions of the federal regulations we have cited *supra*. The MPHA’s choice to adopt this policy risks use of MPHA’s resources to defend legal challenges to it.

MPHA Response: Your comment is unclear with regards to Paragraph 1. We respectfully decline to make the requested change with regards to temporary absence of the unit.

P.52

The paragraph 5. description of required information in a notice of termination is incomplete. This section must be revised to comply with the requirements of 24 C.F.R. § 966.4 (I)(3)(ii) (2016). The MPHA's choice to adopt this policy without revision risks use of MPHA's resources to defend legal challenges to it.

The proposed language in 1. B. 2) about the instances in which the MPHA will bypass its grievance procedure when terminating a lease is an incorrect statement of the law. The MPHA must replace paragraph "2) any activity that *may* threaten..." (emphasis added) with the correct legal standard of "2) any criminal activity that threatens...". There is a significant difference between the law and the MPHA's paraphrasing which exceeds the MPHA's legal authority. 24 C.F.R. § 966.51 (a)(i) (2015). The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA's resources to defend legal challenges to it.

Paragraph 1. C. 5) attempts to cut off a resident's reasonable accommodation rights. A resident may make a reasonable accommodation request of the MPHA at any time in his/her interaction with the MPHA. The MPHA cannot refuse to accept, review and make a decision about a reasonable accommodation request whenever it is received. *Radecki v. Joura*, 177 F.3d 694 (8th Cir. 1999). The MPHA's choice to adopt this policy without revision risks use of MPHA's resources to defend legal challenges to it.

Paragraph 1. C. 5) attempts to cut off a resident's rights to VAWA protections. The only time limit in VAWA is the not less than 14 days that he/she has to respond to a written request from the MPHA for certification in order to exercise her VAWA rights. 24 C.F.R. § 5.2007 (a) (2015). The MPHA's choice to adopt this policy without revision risks use of MPHA's resources to defend legal challenges to it.

In paragraph 1. C. 6), the MPHA attempts to exclude from the instances listed in 1.B. 2), 3), 4), and 5) a resident's rights to reasonable accommodation or the protections of VAWA. A resident's disability status or an incident of VAWA-prohibited activity could be related to the instances listed in paragraph 1. B. 2), 3), 4) and 5). A resident is not legally prohibited from using her rights to reasonable accommodation or her VAWA protections in regard to a termination based on those listed instances. The MPHA's choice to adopt this policy without revision risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: MPHA will ensure that the notice of termination has all of the requirements of 24 C.F.R. §966.4 (1)(3)(ii). We have eliminated the word "may" in 1.B 2). We respectfully decline to make the changes to paragraph 1.C.5) and 1.C. 6).

P.54

Paragraph E. 5) c) references "24 C.F.R. § 966.55". This section of the federal regulations was deleted by "Streamlining Administrative Regulations for Public Housing, Housing Choice Voucher, Multifamily Housing, and Community Planning and Development Programs", 81 F.R. 12354 (March 8, 2016). This paragraph should be revised to comply with the federal regulations and HUD guidance implementing the rule, HUD Guidance Streamlining Administrative Regulations for Programs Administered by Public Housing Agencies, PIH 2016-05 (April 7, 2016).

The definition of Tenant in paragraph 7 is incomplete. Revise it to include the entire definition of 24 C.F.R. § 966.53 (f) (2016).

MPHA Response: We have removed the citation to 24 C.F.R. § 966.55. We believe this definition is consistent with the definition of tenant.

P.55

The list of information in F. 2) d) in the summary of the informal conference must be revised to include in regard to the disposition “the specific reasons therefor”, see 24 C.F.R. § 966.54 (2016).

MPHA Response: The section F.2) has been revised to address your concerns.

P.56

Delete paragraph G. 2. regarding escrow of rent. The final rule “Streamlining Administrative Regulations for Public Housing, Housing Choice Voucher, Multifamily Housing, and Community Planning and Development Programs”, 81 F.R. 12354 (March 8, 2016), removed 24 C.F.R. § 966.55 which included at (e) the rent escrow rule.

MPHA Response: Thank you for your comment. We respectfully decline to make the change.

P.57

Paragraph G. 6) a) contains the rights: to examine documents; to copy documents; to be represented by counsel or other advocate; and the right to have counsel or the other advocate make statements on the resident’s behalf. The remainder of G. 6) lists other due process rights in individual subparagraphs. It would be clearer and more consistent to have each due process element in an individual subparagraph or bullet, including the 4 grouped together in G. 6) a).

In paragraph 7) a), the MPHA asserts that a Hearing Panel may render a decision in a grievance without hearing testimony or examining evidence from the complainant if the Panel thinks the issue has been determined in another proceeding. Is this referring to another grievance proceeding involving the MPHA? Is this referring to another judicial or quasi-judicial proceeding in which the MPHA was a party? Was the complainant a party in the other proceeding? How would the objective Hearing Panel become aware of the determination of the allegedly same issue in another proceeding? Without revising this paragraph to resolve these questions and without providing legal authority for this paragraph, the MPHA’s choice to adopt this policy without revision risks use of MPHA’s resources to defend legal challenges to it.

Combine paragraphs 7) d) and 7) g) which do not need to be two separate statements and should be combined as a statement in this section that mirrors the regulation at 24 C.F.R. § 966.66 (e) (2016).

The hearing requirements of 7) should include a statement regarding the MPHA’s legal obligation to provide free interpreter services at the hearing. This longstanding requirement to comply with Title VI for LEP residents is now specifically listed as a hearing requirement at 24 C.F.R. § 966.56 (g) (2016). Failure to revise the Draft places MPHA’s resources at risk to defend legal challenges to this position.

The hearing requirements of 7) should include a statement of the MPHA's legal obligation to provide notice regarding the Formal Hearing for people with vision impairments in an accessible format as required by 24 C.F.R. § 966.56 (h) (2015).

MPHA Response: *We respectfully decline to make the changes with regards to paragraph G.6), G.7) a), d) and g). Thank you for your comments with regards to interpretation services and for notice for people with vision impairments.*

P.66

The terms of VAWA 2013 specifically place the decision to disclose the name of her abuser in the hands of the survivor. 42 U.S.C. § 14043e-11 (c)(3) (2015). The MPHA cannot force the survivor to provide a copy of an Order for Protection or a No Contact Order as this section proposes as paragraph 1.C. appears to do. The paragraph should be revised to state that if a survivor chooses to have the MPHA assist in enforcement of an Order for Protection" ("OFP") or a "Domestic Abuse No Contact Order" ("DANCO") by adding the perpetrator of domestic or sexual violence to the MPHA's Trespass List, then the resident must provide a copy of the OFP or DANCO to the MPHA. It must be clear that the person protected by VAWA retains the right to choose whether to disclose the name of the perpetrator to the MPHA and its staff. The MPHA's choice to adopt this policy without the necessary revisions to comply with the law risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: *We respectfully decline to make the change.*

P.75

How does the MPHA prevent filing court actions under paragraph 2 against those persons whose incomes have decreased for 30 to 120 days but for whom the MPHA proposes not reducing their income-based rent offering instead a management-approved credit adjustment to offset the loss of income, *see supra* P.49 at 4 .H.?

In 2. E., the MPHA proposes termination of a lease when a resident has ". . . two *valid* Eviction Actions for nonpayment of rent . . ." and ". . . three *valid* Eviction Actions . . ." (emphasis added). The Draft ACOP lacks any explanation of what "valid" means. By "valid" does the MPHA mean:

- eviction actions resulting in judgment for the MPHA?; or,
- eviction actions resulting in settlement agreements with a vacate date? or,
- eviction actions resulting in settlement agreements for repayment of alleged unpaid rent? or,
- evictions actions where allegations are made? or,
- something else?

Since the MPHA is proposing the ultimate penalty of termination of tenancy when the conditions are met, this section must be revised so what will lead to the MPHA seeking that ultimate penalty is clear.

MPHA Response: *We have appropriate safeguards to address the concern addressed in paragraph 2. Thank you for your comment with regards to paragraph 2.E.*

P.76

In 3. C. 3) iii, the MPHA attempts to shift responsibility to the resident for loss of rent revenues resulting from MPHA error. The MPHA proposes that the resident be responsible for identifying MPHA error. At most, the resident can be held responsible for reporting to the MPHA that the MPHA has used an incorrect source of income. Beyond that piece of information, the resident is not obligated to do the MPHA's work nor trained to audit its eligibility staff regarding how the income amount is adjusted to comply with applicable laws, regulations, policies, practices and procedures to determine the amount that is finally used in the lease and lease addenda. If the rent calculation is incorrect due to action or inaction by the MPHA, then there is no rationale for collecting payment from the resident to cover the MPHA's error. In fact, 24 C.F.R. § 966.6 (2015) specifically prohibits exculpatory clauses in public housing leases. The MPHA cannot insert such a clause through its ACOP definition. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA's resources to defend legal challenges to it.

Paragraph C. 6 must be revised to include all of the significant terms mandated by HUD in PIH 2010-19 "Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System", p.15 (May 17, 2010), extended in HUD Notice PIH 2015-2 (January 9, 2015). This section also must be revised to include the limitation on the amount of the monthly payment that MPHA may require. This provision limiting the amount of the monthly payment is too significant to omit. This section must state that the Repayment Agreement will state that the monthly retroactive rent payment plus the amount of rent the tenant pays at the time the repayment agreement is executed should be affordable and not exceed 40% of the family's monthly adjusted income. PIH 2010-19 (May 17, 2010), p. 15. Subparagraph 6) f) regarding monthly payment amounts for residents paying Minimum Rent must also be revised to comply with HUD instructions. If the MPHA chooses not to make the necessary revisions to comply with the law it risks use of MPHA resources to defend legal challenges to its choice.

MPHA Response: Thank you for your comments.

P.77

Revise paragraph 4. B. 2. to include MPHA use of HUD 92006 Supplement to Application for Federally Assisted Housing, completed by the resident at admission or recertification, to authorize contact of the person designated when the MPHA is unable to contact the resident.

The Revenue Recapture Act, Minn. Stat. § 270A.09 (2015) requires that the MPHA hearing be conducted according to the contested case procedures of the MN Administrative Procedures Act (APA), Minn. Stat. §§ 14.57-14.62 (2015). The hearing procedures outlined from P. 77 through P.78 must be revised to include the APA requirements. For example, the procedures proposed in this section of the Draft ACOP do not include the provisions of the APA regarding transcripts of the hearing. Minn. Stat. § 14.58 (2015). For example, the procedures proposed in this section of the Draft ACOP do not include the provisions the APA requires concerning evidence. Minn. Stat. § 14.60 (2015). Failure to revise the Draft places MPHA's resources at risk to defend legal challenges to this position.

MPHA Response: Thank you for your comment with regards to paragraph 4.B.2. We respectfully decline to make any changes to paragraph 4.F. at this time. Our hearing procedure related to the Revenue Recapture Act are in compliance with Minnesota Law.

P.78

Revise paragraph 4. G. b. to include notice to the MN Dept. of Revenue of MPHA's cancellation of the revenue recapture claim if the Hearing decision finds in the resident's favor at the conclusion of the hearing.

MPHA Response: The proposed change has been made.

P.79

In paragraph 4. I. d., the MPHA attempts to cut off a resident's reasonable accommodation rights. A resident may make a reasonable accommodation request of the MPHA at any time in her interaction with the MPHA. The MPHA cannot refuse to accept, review and make a decision about a reasonable accommodation request whenever it is received. *Radecki v. Joura*, 177 F.3d 694 (8th Cir. 1999). The MPHA's choice to adopt this policy without revision risks use of MPHA's resources to defend legal challenges to it.

In paragraph 4. I. d. the MPHA also attempts to cut off a resident's rights to VAWA protections. The only time limit in VAWA is the "not less than 14 days she has to respond to a written request from the MPHA for certification in order to exercise her VAWA rights." 24 C.F.R. § 5.2007 (a) (2015). The MPHA's choice to adopt this policy without revision risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: Thank you for your comments. We respectfully decline to make these changes.

P.79

Does paragraph 1 reference to "the emergency contact form" mean the HUD 92006 Supplement to Application for Federally Assisted Housing, the resident completed at admission or recertification? If not, the paragraph must be revised to so HUD 92006 is used as well as whatever other form(s) the MPHA has created for its own procedures.

This section also must be revised so the MPHA gives the notice required by Minn. Stat. § 504B.265, subd. 1 (2016) if there is no agreement executed with the former resident's contact person or next-of-kin regarding the date the unit will be vacated. Waiver of this notice requirement is prohibited by Minn. Stat. § 504B.265, subd. 3 (2016).

The MPHA also must revise this section to comply with Minn. Stat. § 504B.171, subd. 1. (2014) which requires the MPHA to store abandoned property for 28 days.

MPHA Response: We have added HUD 92006 Supplement to Application for Federal Assistance Housing as an applicable form. We respectfully decline to make your remaining changes.

P.79-84

The MPHA's LEP Plan is a section of the Draft ACOP in which the MPHA continues to misstate the law and create policies that violate the law. We have pointed out these deficiencies through at least five (5) past MPHA Annual Plan comment cycles. In many instances, the MPHA's responses have repeatedly consisted of no more than "Thank you for the comment." or "MPHA declines to make this change." The points of concern we have raised in the past remain unchanged in the MPHA's policy documents for FY2016-2017.

In light of the MPHA's past consistent refusals to make any revisions on the points we have raised, we have not repeated our comments. Our resources are not well-spent addressing the deficiencies of the MPHA LEP Plan in the context of the Annual Plan process here, when the MPHA has repeatedly failed to engage in any improvement of its policies. If the MPHA is interested in creating a LEP Plan that meets the requirements of the law and better serves the needs of LEP members of the community it serves, it may refer to our comments of the past beginning in September 2010. If the MPHA decides to make changes to its LEP Plan in the future and is required by 24 C.F.R. §§ 903 or 966 (2016) or other law to use a notice-and-comment process for the changes, we will review any proposals published at that time and comment on behalf of our clients as appropriate at that time.

MPHA Response: Thank you for your comments.

P.84-91

The MPHA's Reasonable Accommodation Policy is a section of the Draft ACOP in which the MPHA continues to misstate the law and create a policy that violates the law. We have pointed out these deficiencies through a number of MPHA Annual Plan comment processes. In many instances, the MPHA's responses have repeatedly consisted of no more than "Thank you for the comment." or "MPHA declines to make this change." The points of concern we have raised in the past remain unchanged in the MPHA's policy documents for FY2016-2017. We renew our comments as well as the specific points *infra*.

MPHA Response: Thank you for your comment.

P.85

The definition on paragraph 3.3 must be revised. Under the ADA Amendments Act of 2008 (ADAAA) the "current" in the first sentence is not a complete statement of the law. Episodic conditions and conditions in remission may also meet the definition of disability. The second sentence of this paragraph regarding medical conditions corrected by medications also misstates the provisions of the ADAAA. Failure to revise the Draft places MPHA's resources at risk to defend legal challenges to this position.

Paragraph 3.4 is incorrect about a disability based on drug or alcohol dependence. The definition of disability for the purpose of determining eligibility for public housing programs where eligibility depends on disability status, such as mixed population housing, vouchers targeted to persons with disabilities and eligibility for preferences or medical deductions related to having a disability, does not include a person whose sole disability is alcoholism. However, the definition of disability for the purposes of reasonable accommodation must include a person whose alcoholism meets the definition of disability in 24 C.F. R. § 8.3 (2015). This section is the MPHA Reasonable Accommodation Policy so this paragraph must be revised to correctly state the law concerning the disability of chemical dependency. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: Thank you for your comments on paragraph 3.3. We respectfully decline the changes to paragraph 3.4.

P.86

Paragraph 3.7 is an incomplete statement of the law without the following revision: “...with or without reasonable accommodation or modification.”

MPHA Response: The proposed change has been made.

P.87

Paragraph 4.3 incorrectly describes the reasonable accommodation process. Subparagraph (a) must be revised to delete the “or” and replace it with “and” between financial and administrative burden to correctly state one of the legal bases for the MPHA to deny a reasonable accommodation request. It is a conjunctive not disjunctive phrase in the law. Subparagraph (b), fundamental alteration of its programs is the other reason that the MPHA may legally deny a reasonable accommodation request. Finally, subparagraph (c) provides the final reason for a legal denial of a reasonable accommodation request, direct threat. But the subparagraph needs additional information to describe what “direct threat” means to be really informative to the reader. Subparagraph (c) should include the need for an individualized assessment that involves consideration of: the nature, duration and severity of the risk of injury, and the probability that injury will actually occur, and whether there are any reasonable accommodations that will eliminate the direct threat. The whole picture needs to be included rather than abbreviated bullet points so it is clear that the process is more fact-intensive and complex than simply deciding something seems alarming so it must be a direct threat. The remaining subparagraphs in 4.3 should be deleted or rewritten so it is clear that other than the legal bases for denial noted above, if the MPHA receives a reasonable accommodation request and runs into the other situations enumerated, then it should ask for additional information and engage in the interactive process that is the core of reasonable accommodations before reaching denial. The “Joint Statement of the Department of Housing and Urban Development and the Department of Justice, Reasonable Accommodation Under the Fair Housing Act”, May 17, 2004 is especially useful in formulating a reasonable accommodation policy. The MPHA’s choice to adopt this policy without necessary revisions risks use of MPHA’s resources to defend legal challenges to it.

MPHA Response: Paragraph 4.3, subdivision (a) has been revised. We respectfully decline to make the remaining changes.

P.88

In Paragraph 7.0, both subparagraphs (a) and (b) must be revised. The Draft attempts to cut off an applicant’s or resident’s reasonable accommodation rights by barring the request during a hearing. An applicant or resident may make a reasonable accommodation request of the MPHA at any time in his/her interaction with the MPHA. The MPHA cannot refuse to accept, review and make a decision about a reasonable accommodation request whenever it is received. *Radecki v. Joura*, 177 F.3d 694 (8th Cir. 1999). The MPHA’s choice to adopt this policy without revision risks use of MPHA’s resources to defend legal challenges to it.

MPHA Response: The language does not bar the request during a hearing.

P.89

The MPHA proposes cutting off the reasonable accommodation interactive process if a transfer unit is offered as an accommodation and the unit is rejected by the person with a disability. It may be that some processes will end at that point. But it is also true that the reasons for the rejection of the unit may be related to the person's disability and the MPHA is obligated to explore that further with the person and attempt to accommodate her disability with an offer that does meet her reasonable accommodation needs. Failure to revise the Draft places MPHA's resources at risk to defend legal challenges to this position.

As part of the reasonable accommodation process the MPHA may receive chemical health records. The MPHA has specific obligations regarding the retention and disclosure of chemical health records of applicants and participating families. Appendix C should include a statement of the MPHA's obligations pursuant to the Confidentiality of Alcohol and Drug Abuse Patient Records statute and regulation, 42 U.S.C. § 290ee-3 (2015); 42 C.F.R. Part 2 (2015). \

In light of the MPHA's past consistent refusals to make any revisions on the points we have raised, our resources are not well-spent addressing the deficiencies of the MPHA Reasonable Accommodation Policy in the context of the Annual Plan process. If the MPHA is interested in creating a Reasonable Accommodation Policy that meets the requirements of the law and better serves the needs of applicants and residents with disabilities, it may refer to our prior comments. If the MPHA decides to make changes to its Reasonable Accommodation Policy in the future and is required by 24 C.F.R. §§ 903 or 966 (2016) or other law to use a notice-and-comment process for the changes, we will review any proposals published at that time and comment on behalf of our clients as appropriate at that time.

MPHA Response: We respectfully decline to make the proposed changes.

P.93

In paragraph 4.2 B. i., the MPHA states it will use HUD 50066 as one of its approved forms of certification by an applicant or tenant asserting her VAWA protections. This form has been translated by HUD from English into 10 languages for the past 3 years. The MPHA should state in its policy that it will: (1) state in its Admin Plan and in all notices about VAWA that HUD 50066 is available in languages other than English and list the languages; (2) have HUD 50066 translated into any language that is not available on the HUD website that is needed in the MPHA service area according to the HUD LEP Guidance analysis; (3) educate staff about the availability of the translated certification forms and about how to identify LEP participants who will need a translated certification form; and (4) use translated HUD 50066 forms with its LEP participants. See, <http://www.hud.gov/offices/fheo/lep.xml#Indian4>. The MPHA's choice to adopt this policy risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: Thank you for your comment.

P.95

Paragraph 6.0 imposes obligations on the people protected by VAWA that exceed the MPHA's authority under the law. VAWA does not require that the survivor take any action against her abuser including obtaining court orders. A survivor cannot be required to do more than comply with legally enforceable terms of her

lease. The second and third sentences of this paragraph propose additional tenant obligations for survivors of domestic and sexual violence, only because they are victims of those crimes, thereby imposing more demanding standards than those applied to other residents if they are victims of crimes. This paragraph imposes unnecessary and punitive burdens upon survivors due to their survivor status unless the second and third sentences are deleted. This paragraph must be revised by: Delete the second and third sentences in this paragraph from “The victim shall . . .” through “. . . reasonable measures.” The MPHA has been informed of the illegality of this section since 2013 and refused to make any changes. The MPHA’s choice to persist with this policy risks use of MPHA’s resources to defend legal challenges to it.

In paragraph 8.0, the MPHA should state clearly that a person asserting her VAWA rights and protections has the right to request an Informal Hearing if her VAWA certification request or her protection pursuant to VAWA is denied if she has responded in a timely manner to the MPHA’s request for certification. As written using the word “may”, this paragraph makes it sound as if any opportunity to dispute such a denial in an Informal Hearing is conjectural at best.

The certification of prohibited activities under VAWA required by the MPHA for a preference in section 9.0 as an involuntarily displaced person is incomplete compared to the VAWA certification required by the MPHA for VAWA status in Section 4.2.B.i., ii., and iii. Section 9.0 must be revised.

MPHA Response: We have made a revision to paragraph 6.0 and paragraph 9.0 to address your concerns. We respectfully decline the changes to paragraph 8.0.

P. 114

See supra regarding “transfer charge” fees on P.44.

See supra regarding “transfer holdover” fees on P.43.

MPHA Response: See our responses to your concerns regarding P. 43 and 44.

P.117

The MPHA proposes prohibiting king-size beds and bed frames in its high-rise units at section A.8). Beds are very expensive. Will the MPHA grandparent in those king-size beds already in high-rise units on the date the Board approved the 2017 ACOP in order to avoid inflicting an additional economic hardship on its residents?

MPHA Response: MPHA will not restrict king size beds in Public Housing units, but will require enough space in the bedroom to facilitate ingress and egress, the ability for MPHA staff to maintain the bedroom windows, outlets, heating system, switches and other fixtures and similar access as necessary, and provide pest control services.

P.119

The proposed ACOP describes the tenant responsibility to notify the Work Order Dept. Has the MPHA changed how work orders are handled? The MPHA's Performance Reports for June 2016 and July 2016 show startling drops in completion rates on non-emergency work orders in some AMPs. We looked at the same months in 2015 in case the data was somehow seasonal, but the completion rates were not nearly as low in 2016.

AMPs	June 2016	July 2016	June 2015	July 2015
AMP 1	88%	85%	85%	95%
AMP 2	84%	77%	85%	87%
AMP 3	74%	57%	76%	72%
AMP 4	73%	42%	89%	78%
AMP 5	74%	48%	85%	85%
AMP 6	94%	55%	88%	91%
AMP 7	77%	60%	Not available	Not available

We are concerned about the cause of the drop in completion rates because repairs and work orders are key quality of life indicators for our clients.

MPHA Response: Thank you for your comment. We have not changed how work orders are addressed.

P.126-134

The MPHA's Applicant Screening Guidelines section of the ACOP continues to contain both misstatements of law and poorly conceived policies, despite recent HUD guidance. See, HUD Notice PIH 2015-19 "Guidance for Public Housing Agencies (PHAs) and Owners of Federally-Assisted Housing on Excluding the Use of Arrest Records in Housing Decisions" (November 2, 2015) and "Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions" (April 4, 2016). We have pointed out the deficiencies of this section through at least three (3) MPHA Annual Plan comment cycles. In most instances, the MPHA's responses have repeatedly consisted of no more than "Thank you for the comment." or "MPHA declines to make this change." The points of concern we have raised in the past remain unchanged in the MPHA's policy documents for FY2016-2017.

In light of the MPHA's consistent past refusals to make any revisions on the points we have raised, our resources are not well-spent addressing each of the deficiencies of the MPHA Applicant Screening Guidelines in the context of this Annual Plan process. If the MPHA is interested in creating an applicant screening policy that meets the requirements of the law and better serves the needs of applicants and residents for safety and access to housing for ex-offenders reintegrating into our families and communities, it may refer to our prior comments as well as those *infra*.

The MPHA is required to use tenant selection criteria that are related to individual attributes and behavior, not those imputed to a group or category of persons to which the applicant may belong. 24 C.F.R. § 960.203 (a) (2015). Using the “grid” of the MPHA’s Guidelines, Appendix H, circumvents the individualized evaluation that the law requires. When the MPHA receives negative information about an applicant, the MPHA is required to consider the time, nature and extent of the conduct, including the seriousness of the offense. 24 C.F.R. § 960.203 (d) (2015). The MPHA Draft ACOP recognizes this legal obligation in paragraph 1, P.126, of Appendix H, but the MPHA’s use of the Applicant Screening Guidelines “grid” in Appendix H does not meet these legal requirements. The consideration required by the law is individualized, so the MPHA cannot fulfill its legal obligations to the individual applicant by simply creating the Screening Guidelines “grid” in advance and mechanistically applying the “grid” to tell applicants they are not eligible based on their place on the “grid”. The MPHA cannot waive its obligation to exercise its judgment about each applicant’s individual attributes and behavior by creation of the Screening Guidelines “grid.” The individualized review of an applicant required by 24 C.F.R. § 966.203 (d) (2011) is outlined in Part II of the Draft ACOP and the Screening Guidelines “grid” must be revised to carry out the individual evaluation of Part II as the law requires. The MPHA’s choice to adopt this policy without necessary revisions risks use of MPHA’s resources to defend legal challenges to it.

The MPHA states it intends to use the Screening Guidelines “grid” as its listing of what it deems to be reasonable “look-back” periods, paragraph 2, P.126 of Appendix H, and criminal history outside the time periods in the “grid” will not be considered. If this is the intent of the MPHA then this section needs revision, as well as practices and procedures the staff uses to implement this policy. We have seen far too many application files containing the criminal history information outside the “look-back” parameters of the Appendix H “grid”. If these old incidents will not be considered, pursuant to Appendix H, paragraph 2, P.126, then they should not appear in the applicant’s file.

The MPHA’s states its intention in paragraph 3, page 126 of Appendix H, to make *ad hoc* decisions when a crime does not occur on its Screening Guidelines list. MPHA states its intention to make decisions that can only appear, and likely be, arbitrary because the mechanical application of grid to an individual’s application may not precisely match. This is another instance of the use of the “grid” exposing the MPHA to use of its resources to defend legal challenges to its *ad hoc* determinations.

The MPHA’s definition of “Sentence” in paragraph 4, P.126 of Appendix H, is overly broad. Further, by including probation and parole in the meaning of “sentence” and then adding on the years it has chosen for ineligibility, the MPHA imposes additional collateral consequences to criminal sentencing that are not penalties the criminal justice system has created or sanctioned. Retention of this language puts the MPHA at risk to use MPHA’s resources to defend legal challenges to it.

The proposed language defining “Conviction” in paragraph 6, P.126 of Appendix H, should not include the term “continuance for dismissal”, “no admission” “continuance without prosecution” or any other term in which there is no plea of guilty entered. These all are not legally equivalent to conviction. These terms do not prove past criminal activity any more conclusively that an arrest does and HUD has instructed the MPHA not to include arrests in its application or termination evaluations. See, HUD Notice PIH 2015-19 “Guidance for Public Housing Agencies (PHAs) and Owners of Federally-Assisted Housing on Excluding the Use of Arrest Records in Housing Decisions” (November 2, 2015), “Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions” (April 4, 2016), and *Landers v. Chicago Housing Authority*, 2010 Ill. App. Lexis 100 (1st Dist. 2010). Retention of this language puts the MPHA at risk to use MPHA’s resources to defend legal challenges to it.

The Draft ACOP definition of drug-related criminal activity, #11 on P.129 of Appendix H, exceeds the federal definition of drug-related criminal activity applicable to public housing, see 24 C.F.R. § 5.100 (2015). A “petty misdemeanor” is not only not included in the federal definition, but is also directly contradicted by the MPHA’s proposed new language on P. 126: “a Petty Misdemeanor shall not be construed to be a criminal activity.” The MPHA’s choice to adopt the definition without revision risks use of MPHA’s resources to defend legal challenges to it.

As part of the criminal screening process the MPHA may receive chemical health records. The MPHA has specific obligations regarding the retention and disclosure of chemical health records of applicants and participating families. Appendix C should include a statement of the MPHA’s obligations pursuant to the Confidentiality of Alcohol and Drug Abuse Patient Records statute and regulation, 42 U.S.C. § 290ee-3 (2015); 42 C.F.R. Part 2 (2015).

Finally, there are many members of the community with information and experience who could assist the MPHA in improving its policies, practices and procedures to meet the goals of community safety and access to housing for our neighbors with criminal histories if the MPHA solicited assistance. If the MPHA decides to make changes to its Applicant Screening Guidelines of Appendix H in the future and is required by 24 C.F.R. §§ 903 or 966 (2016) or other law to use a notice-and-comment process for the changes, we will review any proposals published at that time and comment on behalf of our clients as appropriate at that time.

MPHA Response: The definition 11 has been revised to address your concerns. We decline to make any additional changes to our policy at this time. Finally, we have had members of the community assist us in drafting the current guidelines and we will in the future.

P.131

In paragraph 18, the MPHA attempts to restrict the applicant’s choice of how she will exercise her opportunity to present her rebuttal to the MPHA’s denial of eligibility. The MPHA Draft language violates the applicant’s rights under 42 U.S.C. § 1437d (c) (2015) and the line of due process cases based upon the fundamentals of *Goldberg v Kelly*, 397 U.S. 271, 90 S. Ct. 1011 (1970). If the MPHA keeps the language of paragraph 18 and demands disclosure of any written argument from the applicant five business days prior to the hearing, the MPHA must also be held to the same disclosure to the applicant or her representative five business days prior to the hearing. Even with the addition of mutual disclosure the MPHA, cannot restrict the applicant’s right of choice as to methods for presenting her arguments throughout her hearing. The MPHA’s choice to adopt this policy risks use of MPHA’s resources to defend legal challenges to it.

MPHA Response: Thank you for your comment. We respectfully decline to make the proposed changes.

P.133

In paragraph 18, the MPHA attempts to restrict the tenant’s choice of how she will exercise her opportunity to present her evidence. The MPHA Draft violates the applicant’s rights under 42 U.S.C. § 1437d (k) (2015) and the line of due process cases based upon the fundamentals of *Goldberg v Kelly*, 397 U.S. 271, 90 S. Ct. 1011 (1970). If the MPHA keeps the language of paragraph 18 and demands disclosure of any written argument from the tenant five business days prior to the hearing, the MPHA must also be held to the same disclosure to the tenant or her representative five business days prior to the hearing. Even with the addition of

mutual disclosure the MPHA, cannot restrict the tenant's right of choice as to methods for presenting her arguments throughout her hearing. The MPHA's retention of this language and these policies risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: Thank you for the comment. We respectfully decline to make the proposed changes.

P.133-134

Revenue Recapture Hearings must be conducted pursuant to the contested case procedures of the Minnesota Administrative Procedures Act, Minn. Stat. Chapter 14. See, 270A.09 (2015). There is nothing in the Revenue Recapture Act or the Administrative Procedures Act that permits paragraph 9. This entire Appendix K must be revised so it complies with the Revenue Recapture law. See comments *supra* regarding P.77. We have pointed these deficiencies in at least three (3) past MPHA Annual Plan comment cycles and the MPHA's responses have been no more than "Thank you for the comment." rather than compliance with the law. The MPHA's choice to persist with this policy risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: Thank you for your comment. We respectfully decline to make the proposed changes. See our response regarding Revenue Recapture on Pg. 77.

MPHA DRAFT FY2016-2017 SECTION 8 HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN ("ADMIN PLAN")

P.3-3

The first paragraph regarding the break-up of a family must be revised to specifically include the mandate of 24 C.F.R. § 982.315 (a)(2) (2015) that the MPHA ensure that in the instance of family break-up due to the prohibited conduct of VAWA the victim of domestic or sexual violence or stalking retains the housing assistance. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: MPHA added the following: MPHA will adhere, to the extent applicable, to our VAWA Policy (Appendix D).

P.3-7

Paragraph 2 of "Return of Permanently Absent Family Members" is incorrect. There is only one subset of family members recognized by law and assigned particular obligations -- the head of household. 24 C.F.R. §§ 5.403 and 982.201 (c) (2014). The law does not otherwise distinguish between original family members, subsequent family members or recognize any subset of family members as "original family members" or "add-on members".

An adult joining the family must pass Section 8 financial and background screening for eligibility. 24 C.F.R. §§ 982.201 and 5.903 (2014). This is the only legal authority granted to the MPHA to screen a new adult family member for eligibility. The new family member who has passed the eligibility requirements has the same legal rights and obligations as any other family member. There are no subsets of family membership with lesser rights or obligation under the law. The

MPHA does not have the legal authority to create such subsets with diminished rights. The MPHA's retention of this language and these policies risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: MPHA's HCV Program adheres to HUD's definition of family as outlined in our Administrative Plan. The definition of "Family" and the definition of "Household Composition" are not interchangeable. The "Family" as designated by the applicant at the time of admission, does not change, although the household composition may change. Our reference to "original family members" or "add on members" is our way of referencing a change in the household composition. MPHA's policies in this regard promotes fairness to applicants on the Wait List and provides integrity to the Wait List Process. CFR 982.315 (a) (1) gives the PHA the authority to determine which member(s) continue to receive assistance in the program if the family breaks up. The PHA administrative plan must state PHA policies on how to decide who remains in the program if the family breaks up.

P.3-12

The language of the template is incorrect in section 3-II. C. regarding the extension of time for a family to obtain a SSN for a child under the age of 6. There is a 90-day window for the family to obtain a SSN for the child and an additional 90-day period if the failure was unforeseeable and outside the control of the applicant. See, HUD Notice PIH 2016-05 "Streamlining Administrative Regulations for Programs Administered by Public Housing Agencies" (April 7, 2016), p. 4. Since a reader may not go on to the more detailed discussion in Chap. 7, the information must be correct where ever it appears. The language needs to be corrected, even if it is the error of the MPHA's consultant and not the MPHA's drafting, because a reader may not distinguish between the consultant's writing and the MPHA's policies.

MPHA Response: MPHA added the following: The PHA will grant one additional 90-day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire death in the family, or another emergency.

P.3-13

Previously the MPHA used First Advantage to produce its criminal background checks. Is this still the independent contractor the MPHA uses to carry out the tasks outlined in 3-II. D.? What steps has the MPHA taken to ensure that its evaluations of eligibility by its contracted vendor and by its staff comply with HUD Notice PIH 2015-19 "Guidance for Public Housing Agencies (PHAs) and Owners of Federally-Assisted Housing on Excluding the Use of Arrest Records in Housing Decisions" (November 2, 2015), "Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions" (April 4, 2016), and *Landers v. Chicago Housing Authority*, 2010 Ill. App. Lexis 100 (1st Dist. 2010).

MPHA Response: Thank you for your comment – MPHA will be going out with an RFP in 2017. At that time, MPHA will determine the scope of services to be contracted for this purpose.

P.3-19

In section 3-III. C. the MPHA includes “Record of arrests for drug-related or violent criminal activity within the past 5 years” on the list of “evidence of criminal activity”. The MPHA states “a record of an arrest(s) will not be used as the basis for denial or proof that the applicant engaged in disqualifying criminal activity”. What is the MPHA’s purpose in collecting and reviewing this arrest information? As proposed this item violates HUD Notice PIH 2015-19 “Guidance for Public Housing Agencies (PHAs) and Owners of Federally-Assisted Housing on Excluding the Use of Arrest Records in Housing Decisions” (November 2, 2015), “Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions” (April 4, 2016). See also *Landers v. Chicago Housing Authority*, 2010 Ill. App. Lexis 100 (1st Dist. 2010). The MPHA’s choice to persist with this policy risks use of MPHA’s resources to defend legal challenges to it.

MPHA Response: Thank you for your comment. MPHA’s current use of criminal records is in compliance with Federal Law and Guidance including PIH 2015-19.

In the same list in section 3-III. C. the MPHA states that “A conviction for drug-related or violent criminal activity will be given more weight than an arrest for such activity.” Please see section 4 of the HUD PIH 2015-19, pp. 3-4, entitled “4. An Arrest is Not Evidence of Criminal Activity that can Support an Adverse Admission, Termination or Eviction Decision.” and delete this item from the list. Failure to make this deletion will violate HUD Notice PIH 2015-19 “Guidance for Public Housing Agencies (PHAs) and Owners of Federally-Assisted Housing on Excluding the Use of Arrest Records in Housing Decisions” (November 2, 2015), “Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions” (April 4, 2016). See also *Landers v. Chicago Housing Authority*, 2010 Ill. App. Lexis 100 (1st Dist. 2010). The MPHA’s choice to persist with this policy risks use of MPHA’s resources to defend legal challenges to it.

MPHA Response: Thank you for your comment. MPHA’s current use of criminal records is in compliance with Federal Law and Guidance including PIH 2015-19.

P.3-20

In section 3-III. C. paragraph 1, the MPHA must revise its language regarding denial of assistance for a debt owed in connection with assisted housing programs. The MPHA’s policy must exclude any alleged debt to the enumerated housing programs that are unenforceable because it is barred by the statute of limitations or has been discharged in bankruptcy. Also include in this paragraph information to the alleged debtor of her rights to challenge any alleged debt as provided in HUD-52675. Failure to make these changes risks use of MPHA’s resources to defend legal challenges to it.

MPHA Response: Changed to “enforceable debt”.

Upon what factors, indicia or criteria does the MPHA form its “reasonable belief that a participant has engaged in fraudulent or criminal activity” requiring a criminal background check through “an independent contracted service” referenced in section 3-III. D.?

MPHA Response: Depending upon the circumstances, MPHA uses a variety of factors in forming its reasonable belief that a participant has engaged in fraudulent or criminal activity.

P.3-21

What “independent contracted service” does the MPHA use for is criminal background checks of applicants for admission regarding status as registered sex offenders on registered sex offenders referenced in section 3-III. D.?

MPHA Response: Thank you for your comment – MPHA will be going out with an RFP in 2017.

P.4-9

According to the summary of the proposed Policy Changes in the MPHA’s FY 2017 Plan documents presented to the MPHA Board of Commissioners by the Executive Director on August 24, 2016, the rationale for the deletion of the local preference for veterans, 4-III.C. subparagraph E., is “Delete - E -Veterans - now have VASH Program”. There is no way the 235 VASH Vouchers administered by the MPHA meet the need of all eligible veterans and their families in the Metro area from which the MPHA draws its applicants. This is an insufficient rationale for deletion of the local preference provided to veteran applicants. The preference should continue.

MPHA Response: We will retain the preference for Veterans.

P.5-4

Why is the MPHA no longer providing participant’s with the HUD Pamphlet on lead-based paint entitled “Protect Your Family from Lead In Your Home” in the Briefing Packet?

MPHA Response: MPHA replaced that pamphlet with a brochure from the Minnesota Department of Health.

P.5-6

Correct the citation in Bullet 4, paragraph 2 to: Minn. Stat. § 524.5-211 (2015).

MPHA Response: Thank you. MPHA made the correction.

P.5-7

In Bullet 3, the MPHA proposes a policy in which an individual family member must give written notice prior to beginning an absence of more than 30 calendar days and MPHA authorization for the absence is limited to 90 days. The MPHA creates a system of seeking permission for absence of an individual family member from the MPHA and MPHA approval or disapproval of an absence lasting between 31 and 90 days. The MPHA has no legal authority to create and administer such a system of control over the movements of individual family members.

The participant family is required to report when “a family member no longer resides in the unit.” 24C.F.R. § 982.551 (h)(3) (2015). The family is not required by law to report when a family member is temporarily away from home, but continues to live in the home. Although the family is required by law to inform the MPHA of who lives in the home and who no longer lives in the home, 24 C.F.R. §§ 982.551 (b) and (h)(3) (2015), the family is not required by law to seek pre-approval from the MPHA for any individual family member’s absence. The family is not required by law to provide verification to the MPHA of the need for an individual family member’s absence.

The temporary absence from home of an individual family member is not the absence of the entire family from the unit in 24 C.F.R. § 982.312 (2015). The family absence covered by 24 C.F.R. § 982.312 (2015) is defined as absence when no member of the family is residing in the unit, not the absence (temporary or permanent) of an individual family member. 24 C.F.R. § 982.312 (c) (2015) (emphasis added). The law sets 180 days as the limit for the absence of the entire family and the MPHA is required to state in its Administrative Plan its time limit on absence of the entire family from the home, which cannot exceed 180 days. 24 C.F.R. § 982.312 (e) (2015). The proposed language in the MPHA Draft Plan fails to satisfy this requirement because it does not address the absence of the entire family but erroneously focuses on the absence of individuals.

In the FY2016 Plan cycle, the MPHA agreed: MPHA’s policy is a 90-day limit of absence from the unit for the entire family. Extenuating individual circumstances may result in the absence from the unit for the entire family to extend but not exceed the statutory requirement of 180 days.

This Bullet must be revised. Failure to do so risks use of MPHA’s resources to defend legal challenges to piecemeal application of its policies or attempted enforcement of invalid policies.

MPHA Response: Thank you for your comment.

P.5-10

Paragraph 6 in the MPHA’s policy section of 5-II. C. refers to reasonable accommodation of an increased voucher size but only in the context of an additional bedroom for medical equipment related to a household member’s disability. There are other bases for a reasonable accommodation of an additional bedroom, i.e. a live-in aide or other family circumstances. See PIH Notice 2014-25 “Over Subsidization in the Housing Choice Voucher Program” (Oct. 16, 2014). Revise this paragraph to clarify that an increased Voucher size may be requested as a reasonable accommodation for needs other than a room for medical equipment. The MPHA’s choice to adopt this policy without necessary revisions risks use of MPHA’s resources to defend legal challenges to it.

MPHA Response: See bullet 4 – Live in attendants will generally be provided a separate bedroom. No additional bedrooms are provided for the attendant’s family.

P.6-3

The “Temporarily Absent Family Members” section is incorrect. An adult joining the family must pass Section 8 financial and background screening for eligibility. 24 C.F.R. §§ 982.201 and 5.903 (2016). This is the only legal authority granted to the MPHA to screen a new adult family member for eligibility. The new family member who has passed the eligibility requirements has the same legal rights and obligations as any other family member. There are no subsets of family membership with lesser rights or obligation under the law as this policy section creates. The MPHA does not have the legal authority to create a subset of remaining

family members with diminished occupancy rights. The MPHA's choice to adopt this policy without revision risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: *See answer P 3-7.*

P.6-40

MTW does not authorize waiver of the MPHA's civil rights obligations. Reasonable accommodation is a non-waivable civil rights obligation. In paragraph 6-III. A., the MPHA proposes a limit of 10% of the flat subsidy amount for MTW Voucher Program reasonable accommodation requests for increased subsidy payments required by participants' disabilities. This paragraph should be revised to provide for increased payments up to 120% of the FMR. See 24 C.F.R. §§ 982.505 (b) and 982.505 (d) (2015); and HUD Notice PIH 2016-05 "Streamlining Administrative Regulations for Programs Administered by Public Housing Agencies" (April 7, 2016), p. 31. The MPHA's choice to adopt this policy risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: *Thank you, we made the change (added sentence – or a maximum of 120% of the Fair Market Rent).*

P.6-41

The MTW Policy—Minimum Rent section refers to "MTW Policy—Minimum Rent and Interim Recertification Hardship Policy" but provides no section or page number for location of that policy. Revise this section to provide the section (6-III.B) or page (6-43) where the Hardship Policy is located.

MPHA Response: *Thank you. MPHA made the correction.*

P.6-47

The MTW policy about the effective date of Rent Reform Subsidy Tables is ambiguous and must be clarified. MPHA has previously stated that the Rent Subsidy Tables are revised and made effective January 1 of every year. But it is not clear how this affects participant families who do not all have their annual income reexaminations and do not all renew their leases on January 1 of every year. Our clients have experienced confusion and the unfairness of rent increases mid-lease that are not rooted in income changes on their part or rent increases by the landlord. The MPHA Draft Admin Plan says the revised Subsidy Tables may be effective at a date determined by the MPHA or may be effective at the family's reexamination. This only serves to describe what two possible policies might be but the MPHA has not chosen either one and made it clear to the participating families it serves or their landlords. Revise this section so the MPHA's policy is clearly stated, not just its options.

MPHA Response: *The revised subsidy tables will be effective with the families' annual re-examination or at the time of Unit Transfer.*

P.6-49

In regard to MTW Rent Reform Revised Utility Allowances see our comments *supra* at 6-47.

MPHA Response: *See above.*

P.7-16

Revise the preferences in 7-II. H so the only verifications needed are those for the preferences in 4-III. C, P.4-9. As proposed the language requires verification of preferences that the MPHA proposes to delete.

MPHA Response: *Thank you. MPHA will make the required change.*

P.8-3

In the “Additional Local Requirements” section, MPHA has included other items required to clarify the HUD standards for subsidized units. The listed requirements should also include the following requirements:

- The unit is free from all mold and mildew.
- In a single-meter building, the Owner, not the Family, is identified as the bill payer and the customer of record contracting with the utility provider for utility services, and that the Owner inform the utility services provider that it is a single-meter building. See Minn. Stat. § 504B.215, subd. 2 (2016). An Owner must show compliance with the statutory requirements for apportionment of utility service payments under Minn. Stat. § 504B.215, subd. 2a (2016) before utility services can be billed in the Family’s name.

MPHA Response: *Thank you for your comment.*

P.8-6

Revise the list of life-threatening conditions requiring immediate corrective action and a shortened remediation time in section 8-I.C. to include the following:

- Where documentation verifies household member(s) physical well-being is endangered due to the presence of mold/mildew
- Where documentation verifies household member(s) have blood lead levels at or above 5 micrograms/deciliter or the current blood lead reference level recommended by the Centers for Disease Control and Prevention.

MPHA Response: *Thank you for your comment.*

P.10-8

The MPHA proposed changes to the restrictive porting in its MTW experiment outlined in the MTW Plan at P.36 paragraph 9 are missing. The MPHA has to get whatever porting criteria is finally adopted consistent across its Admin Plan, its website material, its forms provided to participants and all policies, practices and procedures. Failure to do so risks use of MPHA’s resources to defend legal challenges to piecemeal application of its policies or attempted enforcement of invalid policies.

MPHA Response: *Thank you; MPHA will assure the Rent Reform Portability Policy is placed in all appropriate areas and circulated.*

P.11-8

The citation for the delegation of parental authority in subparagraph should be Minn. Stat. § 524.5-211 (2016).

MPHA Response: *Thank you. We made the correction.*

P.12-6

Revise paragraph 7 in section 12-I. E. regarding denial of assistance for a debt owed in connection with assisted housing programs. The MPHA's policy must exclude any alleged debt to the enumerated housing programs that is unenforceable because it is barred by the statute of limitations or has been discharged in bankruptcy. Also include in this paragraph information to the alleged debtor about her rights to challenge any alleged debt as provided in HUD-52675. Failure to make these changes risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: Added 'enforceable' amounts.

P.12-9

The policy proposed in section 12-II. C. allows an alternative to termination of assistance if the family member who participated in or is responsible for the offense that is the basis of the termination no longer resides in the unit. The MPHA's proposed policy exceeds its legal authority by requiring the "culpable family member" not only no longer reside with the family but also that the head of household certify that the "culpable family member" will not visit the family. This proposed language not only exceeds the authority granted to the MPHA by the federal regulation but also violates the constitutional rights of association of the family members. The MPHA's choice to adopt this policy without revision to eliminate constitutional violations risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: Deleted visit.

P.12-10

The application of discretionary factors in termination considerations must be revised so it is clear that MPHA's mandatory legal obligations always apply. The MPHA must act as required by law when reasonable accommodation requests or VAWA protections are involved, it is not a matter of MPHA choice or discretion. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: MPHA revised as follows: If so, upon the family's request, the PHA may approve alternative measures that are appropriate as a reasonable accommodation. The PHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed termination of assistance. MPHA will comply with our Reasonable Accommodation Policy – Appendix C.

P.12-11

The proposed policy in 12-II. E. to require a participant to advise the MPHA within 10 days of receipt of the termination notice that she wants to assert her VAWA protections from termination must be deleted. The MPHA does not have legal authority to require the participant meet this 10-day deadline. The only time limit in VAWA is the "not less than 14 days she has to respond to a written request from the MPHA for certification in order to exercise her VAWA rights." 24 C.F.R. § 5.2007 (a) (2015). If the MPHA is attempting to put this requirement into its policy here the statutory period is 14 not 10 days. Failure to make this changes risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: Updated to 14 days.

P.12-17

Bullet 1 is too broad and must be revised to impart meaning. The participant's obligation to provide information to the PHA or HUD is not boundless. The revision must state "necessary" for what purpose.

MPHA Response: MPHA revised as follows: The family must supply any information that the PHA or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status (as provided by 24 CFR part 5). "Information" includes any requested certification, release or other documentation.

P.12-18

In Bullet 6, the MPHA creates a policy in which an individual family member must give written notice prior to beginning an absence of more than 30 calendar days and that MPHA pre-authorization or pre-approval of the absence is required. The MPHA has no legal authority to create and administer such a system of control over the movements of individual family members.

MPHA Response: Thank you for your comment.

The participant family is required to report when "a family member no longer resides in the unit." 24 C.F.R. § 982.551 (h)(3) (2015). The family is not required by law to report when a family member is temporarily away from home, but continues to live in the home. Although the family is required by law to inform the MPHA of who lives in the home and who no longer lives in the home, 24 C.F.R. §§ 982.551 (b) and (h)(3) (2015); the family is not required by law to seek pre-approval from the MPHA for any individual family member's absence. The family is not required by law to provide verification to the MPHA of the need for an individual family member's absence. The MPHA's choice to adopt this policy without revision risks use of MPHA's resources to defend legal challenges to it.

P.14-5

The MPHA proposed policy to make the participant family pay for MPHA errors is not what HUD describes in HUD's Housing Choice Voucher Program Guidebook. HUD holds the family accountable for repayment only when the "error or omission is clearly the faulty of the family". Guidebook at P.22-12. (Emphasis added). The MPHA should adopt the same standard to avoid use of resources to defend legal challenges to the policy as proposed.

MPHA Response: Thank you for your comment.

P.16-8

The law requires that the MPHA provide a copy of the criminal record upon which it relied, not just give the opportunity to review the criminal record. See 24 C.F.R. § 5.904 (e)(2) (2016). Paragraph 1 of Section 16-III. B. on this page must be revised to comply with the law. The MPHA agreed to make this change in its September 14, 2015, response to our 2015 comments. The change was not made.

MPHA Response: The change was made in 2015 – upon request MPHA will provide a copy of the criminal record to the applicant.

Paragraph 1 of the Draft policy for Informal Review Procedures must be revised. It treats the hearing officer's decision as nothing more than a recommendation that the MPHA will apparently review and accept or reject. The MPHA must accept the hearing officer's decision unless it is within one of the three delineated circumstances of 24 C.F.R. § 982.555 (f) (2015). The MPHA's choice to adopt this policy without revision risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: MPHA updated as follows: The hearing officer decision is submitted to the PHA. The PHA is not bound by a hearing decision:

- ***(1) Concerning a matter for which the PHA is not required to provide an opportunity for an informal hearing under this section, or that otherwise exceeds the authority of the person conducting the hearing under the PHA hearing procedures.***
- ***(2) Contrary to HUD regulations or requirements or otherwise contrary to federal State, or local law.***
- ***(3) If the PHA determines that it is not bound by a hearing decision, the PHA must promptly notify the family of the determination, and of the reasons for the determination. (24 CFR 982.555 (f) 2015)***

P.16-10

In 16.III. C., the list of situations in which an informal hearing is provided to a participant must be revised to include denials of requests by families with MTW Vouchers to port outside Minneapolis. In Section 10-II.B., at Pg.10-7, the MPHA has stated that informal hearings are available for denial of a request to port out of Minneapolis. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: See Bullet #9.

P.16-13

In section 16-III. C., the second paragraph that discusses the content of discovery exchanged between the MPHA and the participant must be revised. The information to be disclosed on the part of both the MPHA and the participant must be mutual. The MPHA proposes that no fewer than three (3) before the hearing the participant must allow the MPHA to examine any documents that she wants to use at the hearing or those documents will not be allowed. The MPHA must revise the policy so that the same requirement is imposed on the MPHA. Specifically, the MPHA must revise its policy so that no fewer than three (3) days before the hearing, the MPHA must allow the participant to examine any documents it will use at the hearing or the MPHA cannot use the documents at the hearing.

Giving the participant access to her file in the preceding paragraph is not the same as giving the participant the documents that the PHA intends to use at the hearing. If the MPHA chooses not to revise this policy it risks use of MPHA's resources to defend legal challenges to it.

The policy also proposes that no fewer than three (3) days before the hearing the participant provide to the MPHA the names, addresses and relationship of any person who will be attending the hearing on the participant's behalf or those persons will not be allowed to attend the hearing. The policy must be revised so the same requirement is imposed on the MPHA so that no fewer than three (3) days before the hearing, the MPHA must provide to the participant the names, addresses and relationship of any person who will be attending the hearing on behalf of the MPHA or those persons will not be allowed to attend the hearing. If the MPHA chooses not to revise this policy it risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: Thank you for your comment.

P.16-20

In section 16-IV. A., the Admin Plan refers to "State income tax set-off program". We assume this refers to the Minnesota Revenue Recapture Act, Minn. Stat. § 270A.01-.12 (2015). The program's correct name and citation should be used.

MPHA Response: Thank you. MPHA made the correction.

P.16-22

Paragraph 16-IV. B. e. violates HUD Notice PIH 2010-19 "Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System", p.15 (May 17, 2010), p. 15 extended in HUD Notice PIH 2015-2 (January 9, 2015). There can be no \$25 minimum payment requirement imposed because HUD Notice PIH 2010-19 limits the total payment of rent plus the repayment amount per month to 40% of the participant's income. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: Thank you for your comment.

Pg. 16-23

The MPHA's proposed language at 16-IV. B. cites the provisions of any repayment agreement mandated by HUD in PIH 2010-19 (May 17, 2010), extended in PIH 201502 (January 9, 2015). This section must be revised to include the limitation on the amount of the monthly payments. This is a material term too significant to omit. Add to the listed bullets: "The monthly retroactive rent payment plus the amount of rent the tenant pays at the time the repayment agreement is executed should be affordable and not exceed 40 percent of the family's monthly adjusted income." The MPHA's choice to adopt this policy with this significant omission risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: Thank you for your comment.

P.16-26

MPHA's policy regarding "Records Management" in section 16-V. C. should state that disclosure of family information will be made in compliance with HUD-92006.

MPHA has specific obligations regarding the retention and disclosure of chemical health records of applicants and participating families. Section 16-V. C. should include MPHA's obligations pursuant to the Confidentiality of Alcohol and Drug Abuse Patient Records statute and regulation, 42 U.S.C. § 290ee-3 (2015); 42 C.F.R. Part 2 (2015).

MPHA Response: Thank you for your comment.

P.16-25

MPHA's stated policy in Part VI indicates that the health department(s) has told the MPHA that it does not want to receive the quarterly reports from the MPHA about lead poisoned children in its assisted housing as mandated by federal law at 24 C.F.R. § 35.1225 (f) (2015). This is an extraordinary statement about one or more public health departments choosing not to know when children living in rental housing subsidized by MPHA in their jurisdictions are lead poisoned.

Apart from the troubling statement in its Admin Plan regarding public health departments' deliberate inattention to lead poisoned children, the MPHA policy fails to address the MPHA's reciprocal legal obligation. The MPHA is required to obtain quarterly from the public health department(s) in its jurisdiction information containing the names and addresses of children under 6 years of age with an identified environmental intervention blood lead level. 24 C.F.R. § 35.1225 (f) (2015). Even if every public health department in its jurisdiction does not want to hear from the MPHA despite the law, MPHA is still obligated to gather the information from them about the children of its program participants and to act upon that information as required by 24 C.F.R. § 35 Subpart M (2015). MPHA's policy in its Admin Plan in this section must correctly state the MPHA's legal obligations and its actions to comply with the law.

MPHA Response: Thank you for your comment.

P. GL-9

The MPHA's Draft Administrative Plan illegally intrudes into family relationships when it directs how the family designates its head of household. 24 C.F.R. §§ 5.403 and 982.201 (c) (2014). Beyond the purposes of determining income eligibility and rent, the MPHA does not have the legal authority to dictate which adult family member the family chooses to designate head of household. In addition, the Draft Admin Plan proposes to use the family's application to choose the Head of Household for the family That initial application may be years old and out of date for a tenant family. If the MPHA is going to refer to an application when it chooses the Head of Household for a family, the MPHA should at least use the family's latest application for Continued Occupancy because that information will be more up-to-date. The MPHA must revise this Section accordingly. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: Thank you for your comment.

P.GL-15

A definition of sexual assault must be added.

MPHA Response: Defined in the VAWA Policy.

P.B-1—B-8

The MPHA LEP Plan remains seriously, legally flawed. We renew our comments, concerns and suggestions tendered through at least the past five (5) MPHA Annual Plan comment cycles. The MPHA repeatedly responds by thanking us for commenting but never makes a change to its LEP Plan to comply with the law and better serve our community. Our efforts to improve the MPHA's LEP Plan have garnered few revisions, with the MPHA declining nearly all changes. In light of the MPHA's responses our time is not well-spent addressing these issues in the context of the Annual Plan process again. If the MPHA is genuinely interested in correcting and improving its LEP Plan, we suggest referring to our prior comments. The MPHA's failure to act on this issue risks use of MPHA's resources to defend legal challenges to it despite more efficient alternatives. If the MPHA decides to make changes to its LEP Plan in the future and is required by 24 C.F.R. §§ 903 or 966 (2016) or other law to use a notice-and-comment process for the changes, we will review any proposals published at that time and comment on behalf of our clients as appropriate at that time.

MPHA Response: Thank you for your comments with regard to MPHA's LEP Plan – MPHA will continue its effort to remain in compliance with current laws.

P.C-1—C-8

The MPHA's Reasonable Accommodation Policy is a section of the Draft ACOP in which the MPHA continues to misstate the law and create a policy that violates the law. We have pointed out these deficiencies through a number of MPHA Annual Plan comment processes. In many instances, the MPHA's responses have repeatedly consisted of no more than "Thank you for the comment." or "MPHA declines to make this change." The points of concern we have raised in the past remain unchanged in the MPHA's policy documents for FY2016-2017. We renew our comments as well as the specific points *infra*.

MPHA Response: Thank you for your comments with regard to MPHA's Reasonable Accommodation Policy – MPHA will continue its effort to remain in compliance with current laws affecting persons with disabilities.

P.C-2

The definition on paragraph 3.3 must be revised. Under the ADAAA "current" in the first sentence is not a complete statement of the law. Episodic conditions and conditions in remission may also meet the definition of disability. The second sentence of this paragraph regarding medical conditions corrected by medications also misstates the provisions of the ADAAA. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA's resources to defend legal challenges to it.

Paragraph 3.4 is incorrect about a disability based on drug or alcohol dependence. The definition of disability for the purpose of determining eligibility for public housing programs where eligibility depends on disability status, such as mixed population housing, vouchers targeted to persons with disabilities and eligibility for preferences or medical deductions related to having a disability, does not include a person whose sole disability is alcoholism. However, the definition of disability for the purposes of reasonable accommodation must include a person whose alcoholism meets the definition of disability in 24 C.F. R. § 8.3 (2015). This section is the MPHA's Reasonable Accommodation Policy so this paragraph must be revised to correctly state the law concerning the disability of chemical dependence. The MPHA's choice to adopt this policy risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: Thank you for your comments on paragraph 3.3. We respectfully decline to make the proposed changes to paragraph 3.4.

P.C-3

Paragraph 3.7 is an incomplete statement of the law without the following revision: "...with or without reasonable accommodation or modification." Failure to revise the Draft places MPHA's resources at risk to defend legal challenges to this position.

MPHA Response: The proposed change has been made.

P.C-5

Paragraph 4.3 incorrectly describes the reasonable accommodation process. Subparagraph (a) must be revised to replace the "or" with "and" between financial and administrative burden to correctly state one of the legal bases for the MPHA to deny a reasonable accommodation request. It is a conjunctive not disjunctive phrase in the law. Subparagraph (b), fundamental alteration of its programs is the other reason that the MPHA may legally deny a reasonable accommodation request. Finally, subparagraph (c) provides the final reason for a legal denial of a reasonable accommodation request, direct threat. But the subparagraph needs additional information to describe what "direct threat" means to be really informative to the reader. Subparagraph (c) should include the need for an individualized assessment that involves consideration of: the nature, duration and severity of the risk of injury, and the probability that injury will actually occur, and whether there are any reasonable accommodations that will eliminate the direct threat. The whole picture needs to be included rather than abbreviated bullet points so it is clear that the process is more fact-intensive and complex than simply deciding something seems alarming so it must be a direct threat. The remaining subparagraphs in 4.3 should be deleted or rewritten so it is clear that other than the legal bases for denial noted above, if the MPHA receives a reasonable accommodation request and runs into the other situations enumerated then it should ask for additional information and engage in the interactive process that is the core of reasonable accommodations before reaching denial. The "Joint Statement of the Department of Housing and Urban Development and the Department of Justice, Reasonable Accommodation Under the Fair Housing Act", May 17, 2004 is especially useful in formulating a reasonable accommodation policy. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: Paragraph 4.3, subdivision (a) has been revised. We respectfully decline to make the remaining changes.

P.C-6

Paragraphs 7.1 and 7.2 must be revised. The Draft attempts to cut off an applicant's or resident's reasonable accommodation rights by barring the request during a hearing. An applicant or resident may make a reasonable accommodation request of the MPHA at any time in her/his interaction with the MPHA. The MPHA cannot refuse to accept, review and make a decision about a reasonable accommodation request whenever it is received. *Radecki v. Joura*, 177 F.3d 694 (8th Cir. 1999). The MPHA's choice to adopt this policy without revision risks use of MPHA's resources to defend legal challenges to it.

As part of the reasonable accommodation process the MPHA may receive chemical health records. The MPHA has specific obligations regarding the retention and disclosure of chemical health records of applicants and participating families. Appendix C should include a statement of the MPHA's obligations pursuant to the Confidentiality of Alcohol and Drug Abuse Patient Records statute and regulation, 42 U.S.C. § 290ee-3 (2015); 42 C.F.R. Part 2 (2015).

In light of the MPHA's past consistent refusals to make any revisions on the points we have raised, our resources are not well-spent addressing the deficiencies of the MPHA Reasonable Accommodation Policy in the context of the Annual Plan process. If the MPHA is interested in creating a Reasonable Accommodation Policy that meets the requirements of the law and better serves the needs of applicants and residents with disabilities, it may refer to our prior comments. If the MPHA decides to make changes to its Reasonable Accommodation Policy in the future and is required by 24 C.F.R. §§ 903 or 966 (2016) or other law to use a notice-and-comment process for the changes, we will review any proposals published at that time and comment on behalf of our clients as appropriate at that time.

MPHA Response: The language in Paragraphs 7.1 and 7.2 does not bar the request during a hearing. We respectfully decline to make the proposed changes.

P.D-1—D-8

The MPHA's VAWA Plan is a section of the Draft Admin Plan in which the MPHA continues to misstate the law and create policies that violate the law. We have pointed out these deficiencies through at least five (5) past MPHA Annual Plan comment cycles. In many instances, the MPHA's responses have repeatedly consisted of no more than "Thank you for the comment." or "MPHA declines to make this change." The points of concern we have raised in the past remain unchanged in the MPHA's policy documents for FY2016-2017. We renew those comments as well as the points raised *infra*.

In light of the MPHA's past consistent refusals to make any revisions on the points we have raised, we have not repeated our comments. Our resources are not well-spent addressing the deficiencies of the MPHA VAWA Plan in the context of the Annual Plan process here, when the MPHA has repeatedly failed to engage in any improvement of its policies. If the MPHA is interested in creating a VAWA Plan that meets the requirements of the law and better serves the needs of VAWA members of the community it serves, it may refer to our comments of the past beginning in September 2010. If the MPHA decides to make changes to its VAWA Plan in the future and is required by 24 C.F.R. §§ 903 or 966 (2016) or other law to use a notice-and-comment process for the changes, we will review any proposals published at that time and comment on behalf of our clients as appropriate at that time.

MPHA Response: Thank you for your comments with regard to MPHA's VAWA Policy – MPHA will continue its effort to remain in compliance with current laws.

P.D-4

In paragraph 4.2 B. i., the MPHA states it will use HUD 50066 as one of its approved forms of certification by an applicant or tenant asserting her VAWA protections. This form has been translated by HUD from English into 10 languages for the past 3 years. The MPHA should state in its policy that it will: (1) state in its Admin Plan and in all notices about VAWA that HUD 50066 is available in languages other than English and list the languages; (2) have HUD 50066 translated into any language that is not available on the HUD website that is needed in the MPHA service area according to the HUD LEP Guidance analysis; (3) educate staff about the availability of the translated certification forms and about how to identify LEP participants who will need a translated certification form; and (4) use translated HUD 50066 forms with its LEP participants. See, <http://www.hud.gov/offices/fheo/lep.xml#Indian4>. The MPHA's choice to adopt this policy risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: Thank you for your comment.

P.D-5

Revise paragraph 4.3(d) the MPHA so it not only prohibits disclosure of confidential information obtained during the VAWA process to the Owner, but also prohibits disclosure of that confidential information to anyone without a signed Release of Information Authorization from the survivor. Many perpetrators of sexual violence are adept at finding their victims through the contacts and agencies with whom the victims are known to be connected.

MPHA Response: Thank you for your comment.

P.D-6

In paragraph 6.0, the MPHA proposes imposing obligations on the people protected by VAWA that exceed the MPHA's authority under the law. VAWA does not require that the victim take any action against her abuser including naming him or obtaining court orders. A Section 8 participant's obligations are defined in federal regulations and her lease. The fourth and final sentence of this paragraph proposes additional tenant obligations for victims of domestic and sexual violence, only because they are victims of that abuse. Imposition of these additional obligations are more demanding standards than those applied to other tenants who are victims of crimes. This paragraph must be revised by deleting from "...the victim may have to ..." through "... reasonable measures." The illegality of this provision was pointed out to the MPHA in the past Annual Plan process and the MPHA declined to make any changes. The MPHA's choice to persist with this policy knowing it lacks any legal basis risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: We have made a revision to Paragraph 6.0 to address your concerns.

P.D-7

In paragraph 8.0 the MPHA should state clearly that a person asserting her VAWA rights and protections has the right to request an Informal Hearing if her VAWA certification request or her protection pursuant to VAWA is denied if she has responded in a timely manner to the MPHA's request for certification. As written using the word "may", this paragraph makes it sound as if any opportunity to dispute such a denial in an Informal Hearing is conjectural at best.

Delete paragraph 11. It misstates the law. A tenant covered by the protections of VAWA is not subject to the requirements of Minn. Stat. § 504B.178 to break her lease. Compliance with Minn. Stat. § 504B.178 by Section 8 participant families is specifically prohibited by Minn. Stat. § 504B.206, subd. 7 (2014). The Violence Against Women Act, 24 C.F.R. § 5, Subpart L, and § 982.314 (c)(iii) (2014), allows a survivor of domestic violence, dating violence, sexual assault or stalking to end her/his lease without payment of any additional penalty and Minn. Stat. § 504B.206, subd. 7 (2014) requires compliance with the federal statute. If the MPHA's chooses to retain this policy it risks use of MPHA's resources to defend legal challenges to it.

MPHA Response: We respectfully decline to make the changes to Paragraph 8.0. We have removed Paragraph 11.

P.E-3

MPHA's policy regarding "Records Management" in section 3.0 should state that disclosure of family information will be made in compliance with HUD-92006.

MPHA has specific obligations regarding the retention and disclosure of chemical health records of applicants and participating families. This type of information may be received by the MPHA as part of its criminal history screening process. Section 3.0 should include MPHA's obligations pursuant to the Confidentiality of Alcohol and Drug Abuse Patient Records statute and regulation, 42 U.S.C. § 290ee-3 (2015); 42 C.F.R. Part 2 (2015).

MPHA Response: Thank you for your comment.

P.E-4

The definition of drug-related criminal activity at paragraph 6.0 exceeds the limits of federal law. 24 C.F.R. §§ 982.4 and 5.100 (2016). The MPHA's choice to adopt this policy risks use of MPHA's resources to defend legal challenges to it.

The MPHA has incorrectly included petty misdemeanor in its definition of "drug-related criminal activity" in paragraph 6.0. The MPHA correctly states in the Draft ACOP, P.126, that a petty misdemeanor is not a crime. The legal definition of drug-related criminal activity is the same for Public Housing and the Section 8 Housing Choice Voucher Program. 24 C.F.R. § 5.100 (2016). A petty misdemeanor is not a crime in Minnesota. Minn. Stat. § 609.02, subd. 4a (2016).

MPHA Response: Thank you. MPHA has made the correction.

P.E-5

The MPHA states at Page 12-9 of its Draft Admin Plan that it will consider the mitigating circumstances of 24 C.F.R. § 982.552 (c)(2) (2016) when terminating assistance. The reiteration of mitigating circumstances in paragraph 1, Page E-5 incorrectly cites the federal regulations applicable to public housing not Section 8 Housing Choice Voucher programs. Delete the incorrect citation and references to it. Revise the paragraph to include the mitigating circumstances of the applicable regulation so the policy correctly states the law.

MPHA Response: Thank you. MPHA has made the correction.

The MPHA states in paragraph 1 that the Applicant Screening Guidelines “grid” establishes the “elapsed timeframe” for consideration of the crimes listed, the MPHA’s “reasonable time” of 24 C.F.R. § 982.553 (2)(ii)(B) (2016). The MPHA states it intends to use the Screening Guidelines “grid” as its listing of what it deems to be reasonable “look-back” periods, paragraph 3, and criminal history outside the time periods in the “grid” will not be considered. If this is the intent of the MPHA then this section needs revision, as well as practices and procedures the staff uses to implement this policy. We have seen far too many files containing the criminal history information outside the “look-back” parameters of the Appendix E “grid”. If these old incidents will not be considered, then they should not appear in the applicant’s file. The MPHA’s choice to adopt this policy without necessary revisions risks use of MPHA’s resources to defend legal challenges to it.

The MPHA’s stated intention in paragraph 4 is to make *ad hoc* decisions when a crime does not occur on its Applicant Screening Guidelines “grid.” MPHA’s decisions in these circumstances will appear arbitrary and expose the MPHA to the risk of use of its resources to defend legal challenges to its *ad hoc* determinations

The MPHA’s definition of “Sentence” in paragraph 5 should be revised. By including probation and parole in the meaning of “sentence” and then adding on the years it has chosen for ineligibility, the MPHA imposes additional collateral consequences to criminal sentencing that are not penalties the criminal justice system has created or sanctioned. Retention of this language puts the MPHA at risk to use MPHA’s resources to defend legal challenges to it.

MPHA Response: Thank you for your comments with regard to MPHA’s Applicant Screening Policy and Practice – MPHA will continue its effort to remain in compliance with current laws.

Finally, there are many members of the community with information and experience who could assist the MPHA in improving its policies, practices and procedures to meet the goals of community safety and access to housing for our neighbors with criminal histories if the MPHA solicited assistance. If the MPHA decides to make changes to its Applicant Screening Guidelines of Appendix H in the future and is required by 24 C.F.R. §§ 903 or 966 (2016) or other law to use a notice-and-comment process for the changes, we will review any proposals published at that time and comment on behalf of our clients as appropriate at that time.

MPHA Response: Thank you for your comments.

Pg. H-1

This Appendix states that it is the steps the MPHA will take, in addition to compliance with a the previously listed laws, to “...affirmatively further Fair Housing relevant to vouchers that *might* be awarded to our Housing Authority under the Notice of Funding Availability “Rental Assistance for NON-Elderly Persons with Disabilities” (CFDA #14.871).” (emphasis added). Is this Appendix at all relevant at this time? Does the MPHA have any of the voucher referenced? Is there any possibility that the MPHA will be allocated any of the vouchers of the type referenced? If this Appendix has no present relevance or effect, then delete it.

If this Appendix is relevant to any of the MPHA’s current Vouchers, then Bullet 4 requires attention. Bullet 4 states that as part of its duty to affirmatively further fair housing the MPHA will invite Legal Aid, among other organizations, “to come and meet with HCV staff to talk about impediments to Fair Housing and understand the importance of affirmatively further fair housing.” Our Housing Discrimination Law Project, through its Supervising Attorney Lael Robertson, 612.746.3834, has not been invited to engage in this conversation with HCV staff about affirmatively furthering fair housing for MPHA participants and looks forward to receiving this invitation. We pointed this out in September 2015. The MPHA took no action. This meeting would be even more timely than it was a year ago in light of the activities undertaken in the Metro area around issues of affirmatively furthering Fair Housing. Ms. Robertson continues to look forward the MPHA convening the meeting with the organizations listed in Bullet 4.

MPHA Response: MPHA has 400 vouchers for the Non-Elderly Disabled. An Invitation to Legal Aid to speak at an HCV staff meeting will be forth coming. Bullet 4 has been deleted.

We hope that these comments will be used to revise the MPHA Draft FY2017 Annual Moving to Work Plan (MTW Plan), MPHA Draft FY2016-2017 Low-Income Public Housing Statement of Policies (ACOP) and MPHA Draft FY2016-2017 Section 8 Housing Choice Voucher Administrative Plan (Admin Plan) before they are approved by the MPHA Board and submitted to HUD. If you have any questions regarding the points we have raised, please contact us.

APPENDIX D: PERFORMANCE & EVALUATION REPORT

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

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

Part I: Summary					
PHA Name: Minneapolis Public Housing Authority		Grant Type and Number Capital Fund Program Grant No: MN46P00250114 Replacement Housing Factor Grant No: Date of CFFP:			FFY of Grant: 2014 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: 12/31/2015 ☐ 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	10,215,438	10,215,438	7,105,464	3,716,000
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.

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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)	10,215,438	10,215,438	7,105,464	3,716,000
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director		Date 10-13-2014		Signature of Public Housing Director _____ Date _____	

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[illegible]

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Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

Part I: Summary					
PHA Name: Minneapolis Public Housing Authority		Grant Type and Number Capital Fund Program Grant No: MN46P00250115 Replacement Housing Factor Grant No: Date of CFFP:		FFY of Grant: 2015 FFY of Grant Approval:	
Type of Grant ☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☒ Performance and Evaluation Report for Period Ending: 12/31/2015 ☐ Revised Annual Statement (revision no:) ☐ Final Performance and Evaluation Report					
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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	10,081,379	10,081,379	0	0
16	1495.1 Relocation Costs				
17	1499 Development Activities ⁴				

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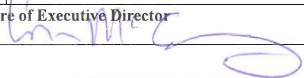
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24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director 		Date 10-13-2016		Signature of Public Housing Director	
				Date	

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[illegible]

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APPROVED



September 28, 2016

Agenda Item 3

REPORT TO THE COMMISSIONERS

FROM: Cora McCorvey, Executive Director / CEO

SUBJECT: MPHA 2017 Moving to Work (MTW) Plan and Changes to the MPHA Statement of Policies and Section 8 Administrative Plan

Previous Directives: On January 6, 2008 MPHA signed an MTW Agreement with HUD making the Agency a full status MTW. This status requires MPHA to create an Annual MTW Plan. On July 6, 2008, the Board approved MPHA's first MTW Plan and has subsequently approved a new MTW Plan each year following.

Resident Notification: The MPHA Board of Commissioners appointed the MTW Resident Advisory Board (RAB) consisting of representatives from the Tenant Advisory Committee, and other members representing MPHA populations groups, including Highrise, Family, Scattered Site and Section 8 for the purpose of ensuring resident and participant involvement in the MTW planning process.

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

Procurement Review: Not applicable.

Recommendation: It is recommended that the Board of Commissioners adopt a resolution approving the MPHA FY 2017 MTW Plan and forward it to HUD pursuant to the requirements in the MTW Agreement. It is further recommended that the Board of Commissioners approve the proposed changes to MPHA's Statement of Policies and Section 8 Administrative Plan.

APPENDIX E: MPHA BOARD RESOLUTION/CERTIFICATION OF COMPLIANCE

The development of an Annual MTW Plan is a requirement of the Revised Standard Moving to Work (MTW) Agreement between HUD and MPHA. The 2017 MTW Plan includes: an Introduction with the Agency's Short and Long Term MTW Goals and Objectives, General Housing Authority Information, information on MPHA's on-going MTW activities, MPHA's 2017 MTW Budget and various other administrative information, including the comments and responses regarding the 2017 MTW Plan. MPHA utilizes the MTW planning process to identify proposed changes to the MPHA Statement of Policies (SOPs) and Section 8 Administrative Plan.

As is its tradition, MPHA undertook extraordinary efforts to solicit input in the development of proposed changes to the 2017 MTW Plan, and its administrative policies for both Low Income Public Housing and Section 8. Following the appointment of the MTW RAB by the MPHA Board of Commissioners, the MTW RAB met on a regular basis working with Agency staff to consider proposals for the Draft MTW Plan. RAB also developed a statement of guiding principles and adopted priorities which are included in the "Administrative" section of the MPHA MTW Plan.

In addition, RAB was asked for and encouraged to provide additional ideas and/or guidance to MPHA prior to the development of the draft plan. Once the draft plan was presented to RAB, it was also noticed in the Star Tribune, published on the MPHA Website, copied and sent to all building Resident Council presidents, to the MHRC Executive Committee, and the Scattered Site Resident Council. As Glendale does not currently have a resident council, notice of the draft MTW Plan, SOPs and Section 8 Administrative Plan, internet access and the Advance Meeting and public hearing were sent to all Glendale residents. All Glendale residents also received correspondence from MPHA informing them of an evening meeting on August 23, 2016 and the public hearing scheduled on August 24, 2016. This notice was translated into Somali and informed residents how to access the Agency draft documents. Every Public Housing resident received notice of the Advance Meeting and Public Hearing in their rent statements and were invited to share their comments on the Draft MTW plan by e-mail to MPHA's Policy and Special Initiatives Department.

MHRC published notice of the Advance Meeting and the Public Hearing in the Highrise Lowdown, a publication that goes to 5000 highrise residents. MPHA provided a lunch and a \$10 transportation stipend to all residents and participants who attended the Advance Meeting, solicited and responded to any and all questions from residents and participants at the Advance Meeting. MPHA also provided comment sheets in the Advance Meeting packets for residents and participants who did not have enough time to comment on all their concerns or who were more comfortable in addressing their concerns and offering their ideas in written form. MPHA specifically invited Legal Aid to meet with Agency staff to discuss any concerns and/or suggestions related to the 2017 MTW Plan. Though they did not take advantage of this offer, Legal Aid submitted numerous comments which are included in the "Comments and Responses" document which is an attachment to the 2017 MTW Plan. MPHA e-mailed a specific notice of the Public Hearing and comment period with links to all the draft MTW Plan and policy documents to over 250 organization and individuals.

APPENDIX E: MPHA BOARD RESOLUTION/CERTIFICATION OF COMPLIANCE

While MPHA is not proposing any new MTW initiatives in its 2017 MTW Plan, it is proposing a Local Asset Management Plan (LAMP). The LAMP would permit the Central Office Cost Center to receive a management fee, equivalent to what is received from the Capital Fund, when Housing Choice Voucher resources are used for public housing capital improvements. The fee is intended to cover the additional costs associated with processing and reporting of capital expenditure reimbursements, preparation of reports, budgeting, accounting, and procurement and oversight of construction and other miscellaneous contracts.

MPHA has received numerous comments related to the 2017 MTW Plan as well as to the Agency's current and proposed changes to the SOPs and Section 8 Administrative Plan. The "Comments and Responses" Section of the 2017 MTW Plan lists the comments by the MTW Resident Advisory Board, attendees at the public hearing, as well as comments received from various resident organizations, key constituencies, and individual residents and Section 8 HCV participants during the comment period (August 1, 2016 through September 2, 2016). Also included are MPHA's responses to the comments and changes to the Draft MTW Plan and administrative policies based upon the comments received. Legal Aid and the "Defend Glendale" group also provided formal responses to the Draft MTW Plan. MPHA has included these documents in full with its responses in the "Comments and Responses" section of the MTW Plan.

A copy of the proposed Board Resolution is attached to this Report for the Board's consideration. The MTW Plan must be submitted to HUD prior to October 15, 2016.

This Report was prepared by Bob Boyd, MPHA Director of Policy and Special Initiatives. For further information, please contact Mr. Boyd at (612) 342-1437 or bboyd@mpslpha.org.

APPENDIX E: MPHA BOARD RESOLUTION/CERTIFICATION OF COMPLIANCE

RESOLUTION No. 16-168

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 Moving to Work Agency; and

WHEREAS, the full status Moving to Work Agreement requires MPHA to create an annual Moving to Work Plan;

WHEREAS, MPHA also identified and made changes to its Statement of Policies (SOPs) and Section 8 Administrative Plan; and

WHEREAS, MPHA is required to submit the Moving to Work Plan to HUD prior to October 15, 2016;

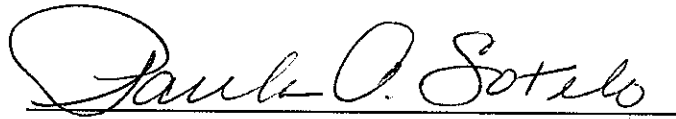
NOW THEREFORE, BE IT RESOLVED, by the Board of Commissioners of MPHA that the 2016 Moving to Work Plan and the changes to the Agency's Statement of Policies and Section 8 Administrative Plan are approved and that the Executive Director is authorized to submit them to HUD for approval as required.

CERTIFICATE

I, Paula Sotelo, Executive Administrative Assistant of the Minneapolis Public Housing Authority in and for the City of Minneapolis, do hereby certify that the attached **RESOLUTION** was duly adopted at the Regular Meeting of the Board of Commissioners of said Authority, held on September 28 2016, and is a true and correct copy of the **RESOLUTION** adopted at said meeting and on file and of record in the official Minutes of said Authority.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Authority this 28th day of September 2016.

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



(SEAL)

Form 50900: Elements for the Annual MTW Plan and Annual MTW Report

Attachment B

Certifications of Compliance

Annual Moving to Work Plan
Certifications of ComplianceU.S. Department of Housing and Urban Development
Office of Public and Indian HousingCertifications of Compliance with Regulations:
Board Resolution to Accompany the Annual Moving to Work Plan*

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning January 1, 2017, 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 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 PHA conducted a public hearing to discuss the Plan and invited public comment.
2. The 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 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.
4. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
5. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
6. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
7. The PHA will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The 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.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
12. The 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.

APPENDIX E: MPHA BOARD RESOLUTION/CERTIFICATION OF COMPLIANCE

OMB Control Number: 2577-0216

Expiration Date: 5/31/2016

13. The 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.
14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
15. The 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 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.
16. With respect to public housing the 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.
17. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
19. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
20. The 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.
21. 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 PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

Minneapolis Public Housing Authority
PHA Name

MN002
PHA Number/HA Code

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

F. Clayton Tyler
Name of Authorized Official

Chair, MPHA Board of Commissioners
Title

Signature

September 28, 2016
Date

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