



Revised Moving To Work Plan

FY 2012

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Executive Director/CEO**

Resubmitted: December 21, 2011



EQUAL EMPLOYMENT OPPORTUNITY



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MPHA FY2012 Moving to Work Annual Plan

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Attachment I - - MTW Plan & Supporting Documents Comments & Responses

Attachment II - - Certification of Compliance & Board Report & Resolution

Attachment III – Owner’s Certification of Housing Quality Standards Compliance
Form

Section I: Introduction/Executive Summary

The MPHA Moving To Work (MTW) Plan is divided into eight sections. Section I comprises an introduction and an overview or an Executive Summary of the MTW Plan.

The mission of the Minneapolis Public Housing Authority (MPHA) is to promote and deliver quality, well managed homes to a diverse low income population and as a valued partner, contribute to the well-being of the individuals, families and community we serve.

MPHA utilizes its mission as a filter through which it reviews its actions and initiatives. The 2012 MTW Plan reflects the mission and values of MPHA.

Section II: General Housing Authority Information

This section of the MTW Plan details information about MPHA's operations for its low rent and Section 8 Housing Choice Voucher (HCV) Programs.

Housing Authority Operating Information

This Section provides an overview of the agency's operations, including information about its housing stock and capital initiatives, as well as details about MPHA's leasing activities and waiting lists for its public housing and Section 8 Housing Choice Voucher programs. MPHA has:

- 6,207 public housing units, including 4,958 highrise units, 753 scattered site units, 184 family units and 312 mixed financed units
- 4,862 Housing Choice Vouchers authorized under its MTW program including 679 project based vouchers with an additional 21 targeted at MPHA's MTW Initiative with Project for Pride in Living (PPL)
- 6,300 applicants on its highrise and family waiting lists
- 11,700 applicants on its Section 8 HCV waiting list
- An estimated \$14.6 million in planned capital expenditures for 2012

Section III: Non-MTW Related Housing Authority Information

In this Section MPHA describes a number of its significant activities and actions that are not dependent on utilizing MTW authority, but have an impact on its residents and program participants. This includes the following:

- Clarification of MPHA's role with mixed finance developments where MPHA neither owns nor manages these properties but holds the ACC.
- Assisted Living and Housing with Services programs for the frail elderly

- Energy Performance Contracting (EPC) with Honeywell International to implement energy savings improvements
- Project Based Section 8 Programs
- Family Unification Program (FUP)
- Tornado Disaster Assistance Vouchers (TDVs)
- Publically owned Transitional Housing (POTH) housing with services program
- Section 8 Inspections protocol with the City of Minneapolis
- MPHA's resident involvement and participation initiatives including a Resident Wellness Initiative with the Minneapolis Y and a "Girls In Action" program for young teens.

Section IV: Long Term MTW Plan

This section of the MTW Plan offers MPHA's long-term vision for itself as an MTW Agency.

The Long Term Vision for MPHA's MTW program establishes the agency as a consistent high performer providing quality services to its residents and program participants. MPHA believes that it is and must remain a good steward of its properties, preserving them for future generations.

MPHA is also committed to enhancing opportunities for its residents and program participants by using its MTW flexibility to create pathways that lead to self-sufficiency through targeted employment programs and avenues to opportunities for homeownership.

MTW positions the agency to make the most of its Section 8 HCV program to establish programs and create partnerships that serve the most vulnerable and expand opportunities for those seeking to break the cycle of poverty.

Residents, program participants and key community constituencies are at the root of MPHA's long term planning. The agency's rich history of partnerships has created innovations that have served the specific needs of residents, established programs and services such as Head Start for the very young and assisted living for the frail elderly, and creation of a resident self-governance system that fuels dialog and challenges making MPHA more responsive and better positioned to meet its mission.

MPHA's long term vision and its partnerships have resulted in a \$28.4 million EPC initiative and over \$31.8 million in funding under HUD's Capital Fund Recovery Competition (CFRC) grant program.

MPHA intends to use the flexibilities under MTW to realize its long term vision and leave a legacy of accomplishment for the next generation.

In 2012, MPHA intends to implement its strategic plan that will be adopted by the Board in late 2011. This plan will make use of the Agency's MTW authority and position the agency to develop effective strategies that respond to the needs of residents, program participants and critical needs in the Minneapolis community.

Section V: Proposed 2012 MTW Initiatives

This section of the MTW Plan identifies the specific activities MPHA wishes to pursue under its MTW authority. In FY 2012, MPHA is proposing two (2) new initiatives:

- **Bi-Annual Housing Quality Standards (HQS) Inspections**
MPHA is proposing to create a demonstration program that allows for bi-annual inspections for certain multifamily developments that have a favorable history of meeting HQS in previous inspections.
- **Earned Income Disallowance (EID) Simplification (Section 8/HCV)**
MPHA's Section 8 program will implement an EID program that mimics the program adopted by its public housing low rent program that allows for a full two year disregard.

Section VI: Ongoing MTW Activities and Other MPHA Initiatives, goals and objectives

This section of the MTW plan explains MPHA's ongoing MTW initiatives and identifies how those initiatives will be carried forth in this coming fiscal year.

- **Recertification of Elderly or Disabled Public Housing Resident Families Once Every Three Years Instead of Annually**

MPHA is certifying 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.
 - Continue progress that was made in 2011
- **Combine MPHA's Current Homeownership Programs into a Single MTW Initiative with a Foreclosure Prevention Component**

Under MTW, MPHA's homeownership initiatives, Home Ownership Made Easy (HOME) and Moving Home (Section 8 Homeownership Demonstration Program) has been revised and combined with a new Foreclosure Prevention Initiative that assists some low-income families in avoiding foreclosure.
 - Seven (7) Families will purchase or preserve their homes through this initiative in 2012

- **Rent Reform: MPHA has Revised its Earned Income Policy to Allow Eligible Public Housing Families a Full Two-Year Income Disregard**

- MPHA will continue this initiative, monitor progress and identify families who have maintained employment in 2012
- Identify families on the MTW disregard program who have lost employment and refer to local job counseling and support programs.

- **Implement a New Public Housing Family Self-Sufficiency Program**

MPHA has implemented public housing Family Self-Sufficiency (FSS) program targeted for families who seek to become home owners.

- 50 -75 families will participate in FSS in 2012

- **Section 8 HCV Mobility Voucher Program**

MPHA created a Mobility Voucher program to encourage low-income families to move to non-concentrated areas to find safe, decent and affordable housing in an environment conducive to breaking the cycle of poverty. This initiative responds to HUD's goal of deconcentrating families who live in poverty.

- 50 -75 families will lease up under this program in 2012

- **MPHA MTW Investment Initiative**

Under MTW, MPHA will waive federal restrictions on investment options as long as the investment strategies comply with Minnesota law. Due to the economic crisis this initiative was not implemented in 2011.

- MPHA has decided to remove this initiative from active status and use HUD's required investment protocols.

- **Resident Empowerment Initiative**

- MPHA is removing this initiative per HUD's 2011 request.

- **Flexible Development Initiative**

- As HUD did not adopt a streamline disposition policy, MPHA is discontinuing this initiative.

- **Plymouth Church Initiative**
 - MPHA has successfully completed all MTW related activities under this initiative and the remaining program components have been integrated into MPHA's ongoing Project Based programs. This initiative is being removed from MPHA's MTW Activities.
- **Working Family Incentive for both public housing and Section 8 HCV families**
 - MPHA will track families receiving this incentive and monitor success in keeping employment and/or increasing income in 2012.
- **Phased in Minimum Rent Increases for both Public Housing residents and Section 8 HCV participants**
 - Do to the economic crisis, MPHA's Public Housing program will defer the planned 2012 increase in minimum rent. The Section 8 HCV program will increase minimum rent to \$75 to bring it in line with the public housing minimum rent.
- **Conversion of 312 Mixed Finance public housing units to Project Based Section 8**
 - MPHA is continuing its negotiations with HUD for approval and issuance of new vouchers for this demonstration program. MPHA will begin the conversion of this program in 2012 should it receive HUD approval.
- **A Rent-To-Own initiative**
 - Full lease up of units in 2012 with all twenty (20) families in FSS and mortgage counseling and at least three (3) families approved for mortgages.
- **Foreclosure Stabilization Project Based Voucher Demonstration Program:**
 - Continue working with PPL to coordinate project basing as units are purchased and renovated.
 - MPHA will allocate up to twenty (20) additional project base vouchers in 2012 – provided PPL is receives NSP funding and vouchers are available.
- **Targeted Project Base Initiative**
 - HUD approved this initiative as part of MPHA's 2011 MTW Plan. MPHA expects to complete the RFP process and award vouchers prior to the end of 2011 and

enter into AHAP and HAP agreements for developments related to these vouchers in 2012.

Soft Subsidy Initiative

This initiative that allows MPHA to provide a soft subsidy and time limited assistance to families participating in Alliance Housing's self sufficiency housing and services program, was included in MPHA's 2011 MTW Plan and has received HUD approval. It will be implemented in 2012.

- **Absence from Unit Initiative (Amendment to 2011 Plan) – Update**
 - This initiative was an amendment to MPHA's 2011 MTW Plan and creates an exception from an interim rent deduction for public housing residents and Section 8 participants who are absent from their unit for more than 30 days and request a rent deduction due to a loss of income.

Section VII: Sources and Uses of Funding

MPHA's low-rent, capital improvements and Section 8 HCV funds are combined into a block grant and able to be used flexibly to meet MPHA needs. MPHA has provided a narrative and accompanying charts detailing the sources of its MTW funds and how it plans utilize those funds in the coming year. In this section of the MTW plan, MPHA provides detailed information regarding its MTW budget and flexible use of its funds and includes its non-MTW budget.

Section VIII: Administrative

This section of the MTW Plan addresses the administrative requirements associated with the MTW Plan including:

- Board resolutions adopting MTW Plan;
- Documentation of Public Process including at least one public hearing;
- Submissions required for receipt of funds; and
- Any planned or ongoing evaluations

Section II: General Housing Authority Information

A. Housing Stock Information

■ The number of public housing units at the beginning of the year

Minneapolis Public Housing Authority (MPHA) has 6,207 public housing units comprised of 753 scattered site units, 184 family units in its Glendale family development, 4,958 units in its 41 highrise facilities and 312 public housing units that are part of various mixed financed developments throughout the City of Minneapolis and various neighboring metropolitan jurisdictions.

Under the new Asset Management rule these units have been divided into nine Asset Management Projects (AMPs). MPHA owns and manages units in seven of these AMPs; the other two AMPs are owned and managed by various partnerships and management agents for which MPHA holds the Annual Contributions Contract (ACC) on the 312 mixed financed units.

The **Current Housing Units** chart (A-1) below provides a breakdown of these units by development (AMP) and bedroom size.

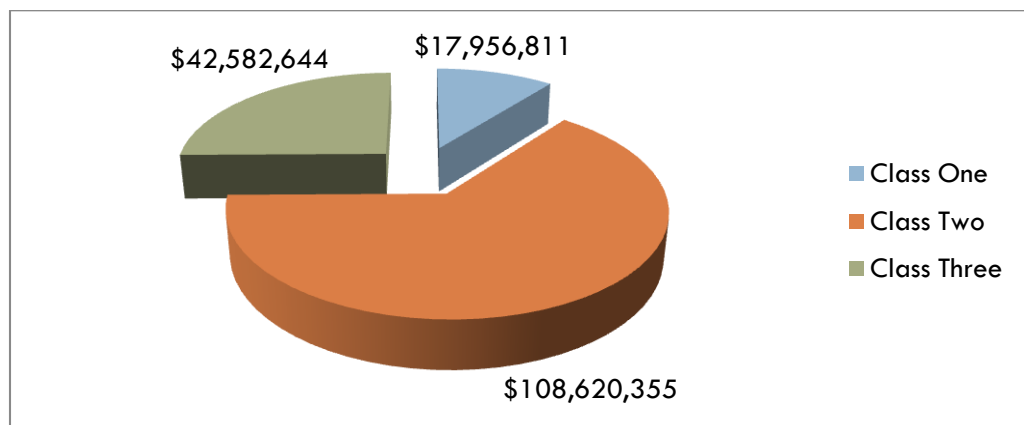
Current Housing Units								
	Bedroom Size							
Asset Management Project	0	1	2	3	4	5	6	TOTAL
1 – Glendale		26	70	70	18			184
2 – Scattered Site			149	351	201	43	9	753
3 – North	252	1037	7					1,296
4 – Northeast	190	749	5					944
5 – Hiawathas	78	801	7					886
6 – Cedars	152	736	7					895
7 – Horn	2	929	6					937
8 – Heritage Park			91	76	23	10		200
9 - MHOP			45	42	25			112
TOTAL	674	4,281	384	539	267	53	9	6,207

■ **General description of any planned significant capital expenditures by development.**

Minneapolis Public Housing Authority's (MPHA) housing stock is comprised of 41 highrise buildings, 753 scattered site homes, and 184 rowhouse units. Forty of the forty-one 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 rowhouse development is 60 years old. The most recent needs analysis indicates an unmet capital need of approximately \$170 million over the next ten years for these public housing units. A comprehensive physical needs assessment is planned for 2012. During this period staff and consultants will conduct detailed inspections of all MPHA facilities and compile capital needs. These will be catalogued into MPHA's needs data base and prioritized for implementation as part of our five year capital fund program. To aid in capital planning, MPHA considers two factors in its needs data:

1. The classification of the needs as:
 - Class One: Life, Safety, and Code Compliance (e.g. asbestos abatement, security-related improvements, fire suppression systems)
 - Class Two: Building Systems/Infrastructure (e.g. mechanical systems, plumbing and electrical systems, roofs/façades, windows, elevators, etc.)
 - Class Three: Maintainability/Marketability (apartment kitchen and bath rehab, landscaping/site improvements, building amenities, etc.)
2. The remaining useful life of the need, which can range between 0 – 10 years.

The breakdown by classification of our 10-year \$170 million capital need is illustrated below:



As shown above, a large portion of our capital needs fall into the Class Two classification; due to their age, the infrastructure at many of our buildings has exceeded its life expectancy. Further, as building codes have evolved, we need to address increased fire protection requirements such as retrofitting our highrise buildings with sprinkler systems, which comprises approximately \$12 million of the \$17.9 million identified in Class One. MPHA has made these items a priority and will target these types of improvements over the next ten years.

Another way MPHA assesses the condition and tracks the performance of our properties is by utilizing an industry-accepted tool known as the Facility Condition Index (FCI). 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 ($FCI = \text{Need} / \text{Asset Value}$). The building FCI is calculated as a percentage and will fall within one of the following four ranges:

Good: 0% - 5%

Resident complaints are low and manageable; facility benefits from scheduled preventive maintenance, planned capital improvements, an increased level of amenities, and a higher level of customer service.

Fair: 6% - 10%

Manageable equipment or component failure may occur; resident complaints will be higher but still manageable; facility’s staff time may, from time to time, be diverted from regular scheduled maintenance. The level of planned capital improvements, as well as customer satisfaction, decreases moderately from the “Good” range.

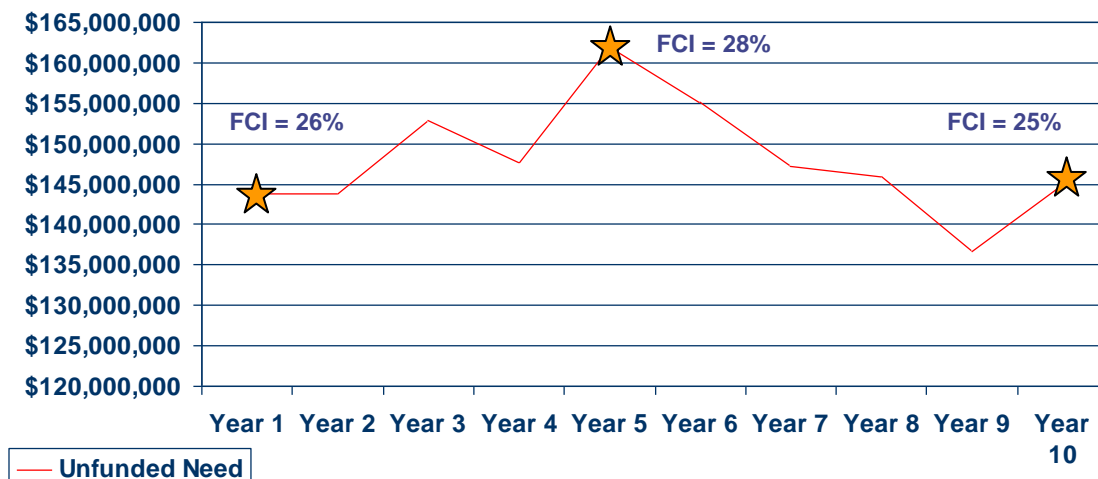
Poor: 11% - 30%

Moderately frequent equipment and infrastructure failures occur, accompanied by possible building system shut downs; resident complaints will be high with increased level of frequency leading to a lower level of customer satisfaction; facility’s staff time will likely be diverted from regular scheduled maintenance and forced into “reactive mode”. Capital improvements planning and implementation will also be reactive and will change frequently as more funds are used to mitigate building systems breakdowns.

Critical: Over 30%

Frequent component, equipment, and infrastructure failures will occur accompanied by likely building system shut downs – management risk is high; resident complaints will be very high with an unmanageable level of frequency; staff will not be able to provide regular scheduled maintenance due to high level of “reactive” calls. Capital fund planning is almost 100% reactive with higher level of needs leading to consideration of disposition of assets.

MPHA uses this information to understand the current state of each property, as well as to forecast the building's future performance based on various funding levels. A comprehensive needs analysis conducted in 2006 indicated a ten-year capital need of \$260 million. Based on historic Capital Fund Program (CFP) funding levels, MPHA projected what the FCI trend for its entire portfolio would look like over a ten year period as illustrated below:



Under historically insufficient capital funding, MPHA's facilities continue to languish in the "Poor" (11% and higher) rating of FCI. Faced with continued declines in CFP appropriations and escalating needs as our properties age, MPHA has the ongoing and increasingly difficult challenge to preserve its assets and provide dignified housing to the residents we serve. In an effort to significantly reduce the \$260 million unmet capital needs, MPHA devised and is in the process of implementing several asset investment strategies.

► EPC

MPHA procured in early 2007 and entered into an Energy Performance Contracting (EPC) agreement with Honeywell International, Inc. for the implementation of the ECMs outlined below with an estimated value of approximately \$33.4 million:

- Common area and apartment lighting retrofits
- High efficiency motors
- Stove replacement at all highrises
- Building automation system at all highrises
- Water conservation measures in all highrises and scattered sites
- Building envelope repairs (caulking, chase sealing, weather-stripping, etc.)
- Boiler replacement at all highrises
- Water heater replacement at several highrises

The EPC has been fully implemented and the first year of a 20-year guaranteed savings period from Honeywell began in 2010.

MPHA is currently assessing recently identified additional energy conservation measures (ECM) and the possibility of expanding energy performance contracting (EPC) opportunities. If, upon completion of the assessment, MPHA deems the added ECMs to be a valuable improvement to MPHA's systems, the EPC expansion would be presented to MPHA's Board of Commissioners for approval and subsequently to HUD.

► **Development**

MPHA continues to search for development opportunities including the possibility of replacing high needs scattered site units in concentrated areas of Minneapolis with small clusters of new town home developments in non-concentrated areas of Minneapolis. MPHA is also interested in creating mixed income senior housing communities and working with the City and County to convert large foreclosed or abandoned houses or duplexes to provide housing for large underserved families while at the same time helping to stabilize neighborhoods. These new and refurbished developments will include a high level of energy efficiency and when possible integrate state of the art durable materials.

► **Other Grants**

ARRA Formula Grant

MPHA received \$18.2 million of which 100% has been fully expended as of June 2011. MPHA fully expended ARRA Formula Funds one year ahead of the requirement.

MPHA has received three (3) competitive awards under HUD's Capital Fund Recovery Competition NOFA:

Senior Center – North Minneapolis

MPHA, in partnership with Sherman Associates has designed a state-of-the-art senior center in Heritage Park in North Minneapolis. MPHA has established partnerships with Neighborhood HealthSource Clinic, Minneapolis 'Y', Augustana Services, The Courage Center, Hennepin County, the City of Minneapolis and others to provide an array of services to elderly residents living in North Minneapolis. These services include medical care, adult daycare and social and recreational opportunities. Ground breaking for this development took place in October 2010, and MPHA expects the facility to be open January 1, 2012.

Grant amount: \$10.5 million ARRA dollars

“Green” Senior Housing/Memory Care Development

MPHA, in partnership with Sherman Associates has designed and is building a 48-unit “green” senior development near the Senior Center that will focus on providing housing and supportive services to frail elderly low-income residents who have memory care and assisted living needs. MPHA has established a partnership with Augustana Care and Hennepin County that will provide services to meet the needs of low-income elderly with memory care and assisted living needs. This development will utilize various energy efficiency methods and green technologies, including solar and geothermal. In addition, the structure will be built with “green” materials and designed to reduce the development’s carbon footprint. This development will be concurrent with the Senior Center and ready for occupancy early 2012.

Grant amount: \$9.7 million ARRA dollars

Scattered Site “Green” Initiative

MPHA has made significant energy improvements in over 733 scattered housing sites. These improvements were implemented by Honeywell International and replaced outdated systems and will reduce energy and water consumption. Also, these strategies are enhancing operational efficiencies, resulting in significant energy saving costs, adding to the long-term preservation of our housing resources and reducing the agency’s carbon footprint and consumption of energy. This initiative is benefiting MPHA, its residents, and taxpayers.

Grant amount: \$11.6 million ARRA dollars

Capital Projects and Estimated Costs to Reduce MPHA’s FCI

MPHA’s five-year strategy for addressing capital needs covers FY 12 through FY 16. Approximately \$60 million in capital work will be implemented over this five-year period; the plan addresses many of the building systems (Class Two), as well as other high priority items such as retrofitting our highrises with sprinkler systems, all of which are critical to the fluid operation of our facilities.

FY12 Significant Capital Expenditures by Development

The Minneapolis Public Housing Authority (MPHA) is applying for an \$11.234 million CFP allocation for 2012. However, projects that were initiated under previous funding cycles, but not fully completed in prior years, will carry over and experience expenditures in 2012. Further, a portion of the projects slated for 2012’s \$11.234 million budget will not be fully expended in 2012 and will carry into 2013. MPHA has estimated approximately \$14.6 million in capital expenditures for FY 12 (see attached chart) targeted at specific projects in all of its seven Asset Management Projects (AMPs).

Area-Wide Security Improvements: \$700,000

MPHA is currently in the process of assessing the need to enhance technology use to improve security at our properties. This assessment and an initial phase of technology improvements are included in this amount.

Area-Wide Common Area Improvements: \$463,000

During FY2012, the Facilities and Development Department will implement a variety of general common area 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.

AMP 2 (Scattered Sites): \$1,000,000

MPHA is dedicating \$1,000,000 to scattered site capital expenditures in FY2012. These funds will be utilized for roofs, siding, and concrete replacement, and other upgrades that will ensure the long-term viability of these assets as well as having a positive impact on the PHAS score for AMP 2.

AMP 3 (North): \$3,500,000

MPHA will complete comprehensive apartment rehab including major piping replacement and fire suppression sprinkler system installation at 800 – 5th Avenue North. Similar work will be initiated at 315 Lowry Avenue North and 3116 Oliver Avenue North, and major plumbing replacement will be started at 600 – 18th Avenue North and 314 Hennepin Avenue.

AMP 4 (Northeast): \$350,000

MPHA's 828 Spring Street NE facility is currently under construction, an extensive modernization project that includes comprehensive apartment rehab, plumbing replacement, and installation of a fire suppression sprinkler system; FY12 capital dollars will be utilized to complete this multi-million dollar modernization project. Further, plumbing replacement, sprinkler system installation, and shower replacement will be initiated at 1206 – 2nd Street NE.

AMP 5 (Hiawatha): \$4,445,000

Major first floor modernization at 1920 4th is currently being planned and will be implemented in 2012, which includes new management offices, community spaces, and a reconfigured building entrance. Extensive façade restoration will also be completed at this building in 2012. Major plumbing replacement at the three Hiawatha buildings – a multi-million dollar project funded over several years – will continue in 2012, as will planning and initiation of plumbing replacement, sprinkler system installation, and shower replacement at 1707 – 3rd Avenue

South. Apartment upgrades, plumbing replacement, and sprinkler system installation will also be initiated at 2533 – 1st Avenue South.

AMP 6 (Cedars): \$700,000

Shower modernization will be implemented at 630 Cedar Avenue South.

AMP 7 (Horn): \$550,000

The second phase of modernization will be implemented at 1415 East 22nd Street; this work includes new closet doors, plumbing upgrades, and parking lot and other site improvements. MPHA is currently implementing apartment work at its 2121 Minnehaha facility as well, including piping replacement, shower refurbishment and new light fixtures. Both projects will be fully completed in 2012.

Area-Wide Comprehensive Physical Needs Assessment (PNA): \$100,000

In FY2011, MPHA took initial steps to conduct its comprehensive PNA, and will complete this extensive undertaking in 2012. These fees will cover specialty consultant costs that will be necessary to conduct a thorough and detailed needs assessment of all MPHA properties. It is with the PNA database that all MPHA's CFP planning begins.

CAPITAL PROJECTS – FY 2012

AMP	PROJ	ADDRESS	WORK ITEMS	PROJECT COST	2012 EXPENDITURES
N/A	N/A	N/A	Administration	\$1,265,000	\$1,265,000
1-7	Varies	Area-wide	Security systems upgrade	\$700,000	\$500,000*
1-7	Varies	Area-wide	Common area improvements	\$558,000	\$463,000
2	Varies	Scattered sites	Comprehensive modernization	\$1,000,000	\$1,000,000
3	20.5	3116 Oliver Ave N	Apartment rehab, piping, site work	\$855,000	\$300,000 (phase I)
3	25	600 18 th Ave N	Piping	\$1,000,000	\$100,000 (phase I)
3	42	314 Hennepin Ave	Piping	\$1,725,000	\$100,000

AMP	PROJ	ADDRESS	WORK ITEMS	PROJECT COST	2012 EXPENDITURES
					(phase I)
4	21.4	1206 2 nd St NE	Apartment upgrades, piping, sprinkler system	\$1,025,000	\$100,000 (phase I)
5	9	Hiawatha Towers	Piping	\$1,900,000	\$1,900,000
5	18.5	2533 1 st Ave S	Commons, windows, piping, apartment upgrades	\$970,000	\$100,000 (phase I)
6	30	630 Cedar Ave S	Tuck pointing	\$236,000	\$0
TOTAL – 2012 CAPITAL BUDGET				\$11,234,000	

****MPHA will initiate this project in 2011 and expects to expend \$200,000 before year end.***

CARRYOVER CAPITAL PROJECTS (These are projects from a previously approved MTW annual and five year CFP plan that will incur expenditures during FY 2012)

AMP	PROJ	ADDRESS	WORK ITEMS	PROJECT COST	2012 EXPENDITURES
1-7	Varies	Area-wide	Comprehensive needs assessment	\$318,000	\$100,000 (phase II)
3	3	800 5 th Ave N	Apartment rehab, piping, sprinkler system	\$3,750,000	\$2,000,000 (phase II)
3	23	315 Lowry Ave N	Apartment upgrades, piping, sprinkler system	\$1,850,000	\$1,000,000 (phase I)
4	33	828 Spring St NE	Apartment rehab, piping, sprinkler system	\$4,706,000	\$250,000 (phase II)
4	35	1815 Central Ave NE	Elevator modernization**	\$1,115,000	\$670,000
5	19	1920 4 th Ave S	Apartment rehab, piping, sprinkler system, first floor/site work	\$4,133,000	\$500,000 (phase II)
5	19	1920 4 th Ave S	Tuck pointing	\$945,000	\$945,000

AMP	PROJ	ADDRESS	WORK ITEMS	PROJECT COST	2012 EXPENDITURES
5	24	1707 3 rd Ave S	Apartment upgrades, piping, sprinkler system, first floor mod	\$3,045,000	\$1,000,000 (phase I)
6	16	1515 Park Ave S	Elevator modernization**	\$890,000	\$535,000
6	30	630 Cedar Ave S	Shower replacement	\$700,000	\$700,000
6	30	630 Cedar Ave S	Elevator modernization**	\$890,000	\$535,000
7	14	1415 E 22 nd St	Site work/parking lot, plumbing upgrades, closet doors	\$500,000	\$150,000 (phase II)
7	36	2121 Minnehaha Ave	Plumbing, apartment upgrades	\$924,000	\$400,000 (phase II)
TOTAL – 2012 PLANNED EXPENDITURES					\$14,613,000

***** Project start was delayed due to unforeseen circumstances; expenditures will carry over into 2012.***

Minneapolis Public Housing Authority
2012 Capital Fund Five-Year Action Plan
Schedule of Planned Expenditures

	FY12	FY13	FY14	FY15	FY16
Budgets	14,613,000	12,610,000	11,349,000	12,174,000	11,554,000

AMP 1 - Rowhouses

AMP	Project	Address	Bldgs	Units					
1	1	Glendale	28	184	0	0	250,000	1,615,000	910,000
Total AMP 1			28	184	0	0	250,000	1,615,000	910,000

AMP 2 - Scattered Site/Single Family

AMP	Project	Address	Bldgs	Units					
2	Varies	Various	753	753	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total AMP 2			753	753	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

AMP 3 - North

AMP	Project	Address	Bldgs	Units					
3	3	800 North Fifth Avenue	1	66	2,000,000	0	0	0	0
3	20.4	2415 North Third Street	1	62	0	0	0	0	0
3	20.5	3116 North Oliver Avenue	1	31	300,000	555,000	0	0	0
3	23	315 North Lowry Avenue	1	193	1,000,000	850,000	0	0	0
3	25	600 North 18th Avenue	1	239	100,000	900,000	100,000	1,125,000	0
3	26	1710 North Plymouth Avenue	1	84	0	100,000	1,185,000	0	0
3	37	1314 North 44th Avenue	1	220	0	0	100,000	1,435,000	500,000
3	42	314 Hennepin Avenue	1	299	100,000	1,625,000	236,000	0	0
3	50	350 Van White Memorial Boulevard	1	102	0	0	0	0	0
Total AMP 3			9	1,296	3,500,000	4,030,000	1,621,000	2,560,000	500,000

AMP 4 - Northeast

AMP	Project	Address	Bldgs	Units					
4	10	311 NE University Avenue	1	49	0	100,000	1,345,000	0	0
4	15.4	710 NE Second Street	1	35	0	0	0	0	0
4	15.5	616 NE Washington Avenue	1	35	0	0	0	0	0
4	21.4	1206 NE Second Street	1	57	100,000	925,000	0	0	0
4	21.5	1900 NE Third Street	1	32	0	50,000	315,000	0	0
4	21.6	809 NE Spring Street	1	32	0	50,000	575,000	0	0
4	32	1717 NE Washington Street	1	182	0	0	100,000	840,000	500,000
4	33	828 NE Spring Street	1	189	250,000	0	0	370,000	0
4	35	1815 NE Central Avenue	1	333	670,000	0	0	0	0
Total AMP 4			9	944	1,020,000	1,125,000	2,335,000	1,210,000	500,000

**Minneapolis Public Housing Authority
2012 Capital Fund Five-Year Action Plan
Schedule of Planned Expenditures**

FY12	FY13	FY14	FY15	FY16
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AMP 5 - Hiawatha

AMP	Project	Address	Bldgs	Units					
5	9	Hiawatha Towers	3	281	1,900,000	1,900,000	900,000	0	0
5	18.5	2533 South First Avenue	1	42	100,000	870,000	0	0	0
5	19	1920 South Fourth Avenue	1	110	1,445,000	0	0	0	0
5	24	1707 South Third Street	1	199	1,000,000	1,545,000	500,000	0	0
5	34	2419/33 South Fifth Avenue	2	254	0	0	0	100,000	805,000
Total AMP 5			8	886	4,445,000	4,315,000	1,400,000	100,000	805,000

AMP 6 - Cedars

AMP	Project	Address	Bldgs	Units					
6	6/30	Cedars Community	4	539	1,235,000	336,000	1,300,000	1,400,000	1,500,000
6	8	Elliot Twins	2	174	0	0	0	100,000	1,380,000
6	16	1515 South Park Avenue	1	182	535,000	0	0	100,000	1,200,000
Total AMP 6			7	895	1,770,000	336,000	1,300,000	1,600,000	4,080,000

AMP 7 - Horn

AMP	Project	Address	Bldgs	Units					
7	14	1415 East 22nd Street	1	129	150,000	0	0	100,000	1,190,000
7	17	2728 East Franklin Avenue	1	151	0	100,000	1,410,000	0	0
7	18.4	3755 South Snelling Avenue	1	28	0	0	0	335,000	0
7	22	3205 East 37th Street	1	28	0	0	0	255,000	0
7	31	Horn Towers	3	491	0	0	290,000	1,435,000	965,000
7	36	2121 South Minnehaha Avenue	1	110	400,000	0	0	0	0
Total AMP 7			8	937	550,000	100,000	1,700,000	2,125,000	2,155,000

Management, Maintenance, and Special Facilities

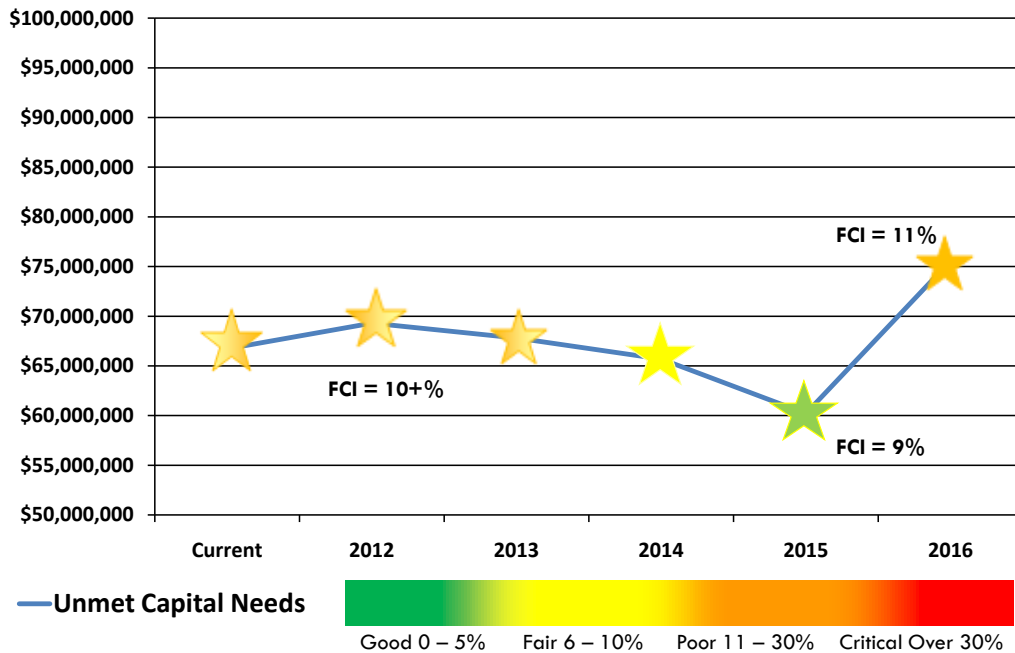
Project	Location	Bldgs	Units						
93	1301 Bryant Maintenance Office	1		0	0	0	0	0	0
96	1001 Washington Main Office	1		0	0	0	445,000	0	0
Total MM & S		2		0	0	0	445,000	0	0

Area-Wide

1410	Administration			1,265,000	1,265,000	1,265,000	1,265,000	1,265,000	
	Security Improvements			500,000	0	0	0	0	0
	Comprehensive Needs Analysis			100,000	0	0	0	0	0
	Development			0	0	0	0	0	0
1460	Common area improvements			463,000	439,000	478,000	254,000	339,000	
				2,328,000	1,704,000	1,743,000	1,519,000	1,604,000	

GRAND TOTAL	822	5,895	14,613,000	12,610,000	11,349,000	12,174,000	11,554,000		
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Five Year FCI Projection



A 9-11% FCI, which is within the “Fair Range”, indicates that MPHA is strategically planning and leveraging additional funding sources to ensure the long-term viability of its assets.

Since adopting and implementing these strategies, MPHA has significantly reduced its \$260 million need to \$170 million. MPHA will continue to aggressively pursue grant opportunities that improve MPHA’s asset condition through initiatives that include development and capital investment in existing assets. Move

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.

■ Description of any new public housing units to be added during the year by development.

MPHA will seek funding for developing up to eight new units of family housing in clusters of approximately four or more units depending on land availability. These units which will be part of MPHA's Scattered Site AMP 2 will have 3-4 bedrooms each and one of the units will comply with Section 504 of the Fair Housing Act. These units will be Energy Star certified.

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.

MPHA received an ARRA 'Green Development' grant and will be opening a 48-unit memory care assisted living development in 2012. All units are constructed with universal design features and three units are fully handicap accessible. These units are located in AMP 11.

■ Number of units to be removed from the inventory during the year by development specifying the justification for the removal.

If successful in securing funds for the above development, MPHA intends to dispose of and up to eight single family units from its AMP 2. 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.

Under its MTW Agreement with HUD, MPHA is authorized to convert 112 units of its mixed financed public housing units to project based Section 8. However, this conversion is only valid through the demonstration and is not a permanent authorization. In addition, HUD is continuing funding for these units as public housing units as it has not provided additional funding for the conversion. These units will not be removed from the public housing inventory until HUD would authorize a permanent conversion and provide MPHA with additional voucher resources to support the costs related to project basing of these units. MPHA included conversion of an additional 200 public housing mixed finance units in its 2011 MTW Plan and is negotiating with HUD regarding additional voucher resources for this initiative. If HUD approves

and provides additional voucher resources, these units will also be removed from the MPHA's public housing inventory.

■ **Number of Housing Choice Voucher Units (HCV) units authorized:**

In MTW Plan Year 2012, MPHA has HUD ACC authorization for 4,770 Housing Choice Vouchers.

■ **Number of non-MTW HCV units authorized:**

In MTW Plan Year 2012, MPHA has 752 non-MTW vouchers authorized.

■ **Number of Housing Choice Voucher Units (HCV) units to be Project Based:**

- ▶ MPHA has received authorization from HUD to convert 112 units of its mixed-financed public housing units to project based Section 8. These units are in various jurisdictions throughout the metropolitan area with two developments within the City of Minneapolis. MPHA does not own or manage these units and the asset management requirements for public housing, which is neither owned nor managed by MPHA, does not provide sufficient authority for compliance with and overseeing agency asset management responsibilities. MPHA intends to seek replacement vouchers and convert these units through its project based initiative.
- ▶ MPHA intends to convert an additional 200 public housing units to Section 8 either through the voluntary conversion or disposition process, and then project base these units through its Section 8 project based initiative. MPHA is seeking additional Housing Choice Vouchers from HUD and will not convert these units without the additional vouchers.
- ▶ MPHA adopted a MTW Initiative "Foreclosure Stabilization Project Based Voucher Demonstration Program that will, in 2011 and 2012 project base 21 Housing Choice Vouchers in foreclosed properties purchased through the City of Minneapolis Neighborhood Stabilization Initiative.
- ▶ MPHA created a "Targeted Project Base Voucher Initiative" to encourage the development of up to 120 units of affordable housing in the City of Minneapolis. Project Based vouchers will be awarded to selected developers responding to a RFP and committing to develop additional affordable units on a 3 to 1 ratio of new affordable units for each project base voucher MPHA provides.

► **MPHA currently has 679 project based vouchers at the following developments:**

PROJECT NAME	# of UNITS	Owner / Mgmt
ARCHDALE - - PB (1600)	13	Aeon
ARMADILLO FLATS 2727 - - PB	4	PPL
ARMADILLO FLATS 2743 - - PB	4	PPL
BARRINGTON- - PB	3	Aeon
BOTTINEAU LOFTS - - PB	9	Sherman Associates
BOULEVARD - - PB	6	Perennial Management
CATHOLIC ELDERCARE - - PB	25	Catholic Eldercare Services
CENTRAL AVENUE APTS - - PB	61	RS Eden
CENTRAL AVENUE LOFTS - - PB	8	Sherman Associates
CLARE APTS - - PB	28	Sherman Associates
COLLABORATIVE VILLAGE - - PB	16	PPL
CREEKSIDE COMMONS - PB	6	Perennial Management
FAMILIES MOVING FORWARD- - PB	12	CommonBond
FRANKLIN PORTLAND - - PB	7	Aeon
HIAWATHA COMMONS - - PB	20	Hiawatha Housing LP
JEREMIAH- - PB	18	Jeremiah Program
LAMOREAUX- - PB	13	Aeon
LINDQUIST - - PB	24	RS Eden
LORING TOWERS - - PB	43	Aimco - Loring Towers LLC
LORRAINE - - PB	14	RS Eden
LYDIA - - PB	40	Lydia House LP
MANY RIVERS EAST - - PB	7	Perennial Management
MANY RIVERS WEST - - PB	3	Perennial Management
MINNESOTA INDIAN WOMENS RESOURCE CENTER - - PB	14	MIWRC
PARK PLAZA - - PB	48	BDC
PARK PLAZA PH I - - PB	16	BDC
PARK PLAZA PH II - - PB	12	BDC
PASSAGE - - PB	10	Perennial Management
PHILLIPS FAMILY - - PB 2828 PORTLAND	17	Aeon
PHILLIPS FAMILY- - PB 2805 CEDAR	11	Aeon
PHILLIPS PARK INITIATIVE dba JOURNEY HOMES - - PB	12	Perennial Management (LSS Owner)
PHILLIPS REDESIGN- - PB	4	Aeon
PINECLIFF- - PB	7	Aeon
PORTLAND VILLAGE - - PB	24	Portland Village LP
PPL FOURTH AVE - PB	6	PPL
PPL FORECLOSURE - PB	4	PPL
RIVER RUNS - - PB	16	Sherman Associates
ST ANTHONY MILLS - - PB	17	St. Anthony LP
ST. BARNABUS - - PB	39	Aeon
TRINITY GATEWAY dba TRINITY ON LAKE- - PB	16	BDC
TUBMAN FAMILY ALLIANCE- - PB	10	Tubman Family Alliance
WEST RIVER GATEWAY- - PB	12	Gateway Real Estate

B. Leasing Information

■ Anticipated total number of MTW Public Housing Units leased in the Plan year.

MPHA expects to have 6,168 units to be leased. This number of units will result in a 99% overall occupancy rate for MPHA.

■ Anticipated total number of non-MTW units leased in the Plan year.

N/A

■ Anticipated total number of MTW HCV units leased in the Plan year.

The Section 8 HCV program expects that 4,716 vouchers will be under lease each month. MPHA has also dedicated an additional ten HCV vouchers to be added to its MTW Section 8 Homeownership program in the next year. While these vouchers are not technically 'under lease' they will be available to contribute to a mortgage payment in the same manner that housing assistance payments are available to a landlord.

MPHA plans to do a voluntary conversion and as needed will propose, utilizing the MTW process, to waive regulations under that rule to complete the conversion of the 112 units allowed under Attachment D and 200 similarly situated public housing units at Heritage Park. If successful, these 312 vouchers will be project based.

■ Description of anticipated total number of non-MTW HCV units leased in the Plan year

- MPHA has 76 Preservation/Enhanced Vouchers (100% to be leased)
- MPHA has 274 Moderate Rehabilitation Vouchers (96%-100% to be leased)
- MPHA has 205 VASH Vouchers (Phased in leasing for 2012 with a first quarter start of 149 and all 205 vouchers leased up by the end of 2012.
- MPHA was awarded 100 Family Unification Vouchers to be leased up in 2012 (Phased in leasing for 2012 with all 100 vouchers leased by the end of 2012)
- MPHA has 5 Shelter Plus Care Vouchers (100% to be leased)
- MPHA has 92 Mainstream Vouchers (100% to be leased)

■ **Description of anticipated issues relating to any potential difficulties in leasing units (HCV or PH)**

Public Housing:

- MPHA has experienced difficulty leasing family units in North Minneapolis. These issues are related to neighborhood crime, and high foreclosure rates in that area, leaving potential residents fearful and isolated.
- MPHA studio and efficiency units are more difficult to lease. Many applicants hold out for one-bedroom units making it more challenging to get these units leased.

Section 8 / HCV:

- Minneapolis has a very low vacancy rate and a high foreclosure rate and the economic crisis has moved many families from consideration of homeownership.
- Low-income Families with questionable credit and rental histories limit their housing choices and impact who will rent to them and where.
- Community perception that Section 8/HCV participants are responsible for neighborhood crime. MPHA conducts criminal background checks on new admissions, port in families, and additions to the household. MPHA has expanded collaborations with police, neighborhood organizations, City Council Members, and private citizens and maintains statistics and other data that show the level of involvement of Section 8 families who violate program rules as well as the number and percentage of families terminated for committing criminal offenses.
- Community perceptions and misinformation about HCV participants impact some landlords' willingness to participate in the program. This limits choices for families and creates challenges in meeting deconcentration goals.
- The difficulty Veteran participants of our HUD VASH Program face when searching for housing is criminal/legal histories, little or no rental history and the impact of extended periods of homelessness.

C. Waiting List Information

■ **Description of anticipated changes in waiting lists (site-based, community-wide, HCV, merged).**

MPHA has four waiting lists including a MTW site-based waiting list for its new Rent-to-Own Initiative:

Public Housing/Highrise/Designated Wait List: Open for elderly, near elderly and disabled

Public Housing Family: The Public Housing Family Waitlist is closed for new applications at this time.

Public housing Rent-to-Own: Open special MTW site-based waiting list
20-unit 'rent-to-own' townhome
Development, only

Section 8 / HCV: Closed for new applications at this time.

Description of Current Waiting Lists:

Public Housing Highrise/Designated: There are 1,700 on the public housing highrise waiting list. These lists are limited to one-bedroom applicants. The highrise waiting list is currently closed except for elderly, near elderly and disabled applicants.

Public Housing Family: The family waiting list has:
2,370 families seeking two-bedroom units
1,650 families seeking three-bedroom units
511 families seeking four-bedroom units
69 families seeking five plus-bedroom units

Public Housing Rent To Own: MPHA is recruiting families at this time.

Section 8 / HCV: The Section 8/HCV Waiting List was opened for two days, June 12 and 13, 2008 at which time over 13,000 applications were received. It is an active Waiting List; MPHA orders and selects from the Waiting List every month. Through issuance of the voucher and removal of applicants for failure to respond to offer letters, the number of current active applicants is 11,700. The MPHA Section 8 HCV Waiting List is currently closed for application.

Date the waiting list was last purged.

Public Housing Highrise:	This list was purged in Spring 2008.
Public Housing Family:	This list was purged in Spring 2010.
Public Housing Rent To Own:	Families are currently screened as they apply.
Section 8 / HCV:	This list was purged in April 2008 and with the on-going mailing of offer letters to applicants the list is purged on a quarterly basis.

● **Description of anticipated changes in the number of families on the waiting list(s) and/or opening and closing of the waiting list(s).**

Section 8 HCV Program has an average turnover of fifty (50) families per month. MPHA plans to continue an on-going monthly purge of the Waiting List in 2012.

MPHA's Rent-to-Own waiting list: MPHA anticipates this waiting list will be closed in 2012, but will open for specific marketing of this MTW Initiative if units become vacant.

Section III: Non-MTW Related Housing Authority Information (Optional)

A. List planned sources and uses of other HUD or other Federal Fund (excluding HOPE VI)

See MPHA Sources & Uses Section.

B. Description of non-MTW activities proposed by the Agency.

In this Section MPHA describes a number of its significant activities that are not related to MTW, but have an impact on its residents and program participants. This includes its Assisted Living and Housing with Services programs for the frail elderly, ESCO energy savings program, Project Based Section 8 programs, Publically Owned Transitional Housing (POTH) housing with services program, as well as its resident involvement and participation initiatives.

● **Assisted Living and Housing with Services Programs**

The MPHA has assisted living and Housing with Services (HWS) programs in seven (7) of its senior buildings. Through a partnership between MPHA, Hennepin County and the assisted living providers, program participants receive on site staffing two to three shifts per day, nursing services, medication monitoring, at least two meals a day seven days per week, housekeeping and laundry services, assistance with bathing, social and recreational activities, emotional and personal supports, social work services and other supportive activities as needed.

MPHA has partnerships with the Assisted Living and HWS providers at the buildings listed below:

- **Accessible Space Inc. (ASI)** at 1707 – 3rd Avenue South
- **Ecumen** at Signe Burckhardt Manor, 2533 1st Ave. South
- **Volunteers of America/MN** at Lyndale Manor, 600 18th Ave N; Parker Skyview, 1815 Central Ave N.E.
- **Korean Service Center (Grace Place)** at 630 Cedar Ave S
- **Augustana Community Partners** at Heritage Commons at Pond's Edge, 350 Van White Memorial Blvd
- **People Incorporated** at 630 Cedar Avenue South

MPHA's assisted living and HWS programs increase housing choices. Without these programs frail elderly and disabled residents and applicants would not have public housing as a housing

option. It also reduces costs and achieves greater cost effectiveness. Assisted living/housing with services (HWS) clients avoid nursing home placements, remain in units longer, receive supportive services and enjoy independent living. Assignment of assisted living by slot as opposed to hard unit, allows residents to remain in their own apartment instead of having to move to receive needed services.

Eighty percent (80%) of assisted living clients remain in the program for at least six months, 64% remain for at least one year. This saves the State of Minnesota about \$3,000 to \$6,000 per month per assisted living client depending on the needs of the client.

Other assisted living benefits include:

- Fewer and delayed nursing home placements
- Reduced turnover of units
- Opportunity to market public housing
- Enhances the quality of life for participants
- Accessibility to assisted living services by other residents
- Enhanced security and reduced need for additional security with the second and third shift assisted living and HWS staff

MPHA has determined that assisted living/housing with services programs are better managed with outside service providers rather than MPHA staff. MPHA provides the property management services and the service providers the assisted living component.

Assisted living programs require a minimum of twenty-five (25) participants to sustain the program and participation may be limited depending upon the size of the highrise. Currently, MPHA's largest assisted living program is forty (40) resident participants.

MPHA provides support to assisted living services and HWS at our facilities, such as office space, use of community kitchen and laundry facilities. However, the assisted living and HWS programs and support services must be self-sustaining.

There are a variety of assisted living and HWS providers who want to make their services available to public housing residents. Through negotiations with Hennepin County, MPHA has issued RFPs for proposals. To monitor the needs and progress of residents/clients, assisted living and HWS vendors provide quarterly reports to MPHA and meet with MPHA staff on a regular basis.

- **Presumptive Eligibility for Assisted Living and Elderly with Services Applicants**
MPHA created a presumptive eligibility status and open waiting list status, even if the waiting list is closed for frail elderly persons who have been screened as eligible for Assisted Living and/or Housing with Services. MPHA will verify income eligibility and other federally

required standards along with criminal history and presume the applicant meets all other MPHA admissions criteria.

MPHA anticipates this will assist in the success of the Assisted Living and Housing with Services programs operating in the seven (7) specific designated MPHA highrises. Current applicant screening processes often result in delays, both threatening the stability of the Assisted Living and Housing with Services program and the timely and stable housing for a frail elderly person. The health and safety of these clients are at risk as many of these persons are being discharged from nursing homes or other rehabilitation facilities.

MPHA currently has a 220 Assisted Living/Housing with Services Capacity. This activity should decrease by 50% the time from approval for Assisted Living/Housing with Services and being housed at an MPHA facility.

MPHA and Hennepin County will explore an initiative that provides housing opportunities with services for single adults experiencing homelessness and in need of intensive services to maintain stable housing. This initiative may require presumptive eligibility components in order to facilitate successful placement in MPHA housing.

● **Project Based Section 8**

MPHA's mission calls for the agency to, "as a valued partner, contribute to the well-being of the individuals, families and community we serve." In the operation of its public housing and its Housing Choice Voucher (HCV) programs, the Agency recognized that there were distinct populations who needed not only housing, but supportive services to successfully participate in the life of the community. MPHA did not have the capacity or the resources to support these populations; however, the agency could make a significant contribution to the men, women and children who comprised these groups. MPHA could provide funding that would offer stable housing and provide a venue where families could receive the needed supportive services.

MPHA issued an RFP for service providers to offer a limited number of HCVs that could be project based. This strategy allowed for service providers to have a stream of income that supported the costs of housing, while utilizing their limited resources to provide critical support to individuals and families.

To date, MPHA has awarded 679 vouchers to more than twenty (20) agencies and organizations for housing assistance funding. These funds not only allowed participating families to secure needed housing and services, they also enable the participating agencies

to leverage other funds to support the development of housing developments designed for the type of services to be provided.

MPHA's project based Section 8 program funds an array of supportive housing initiatives including:

- Homeless drug abusing pregnant women and women with children
- Low-income single parents with below functioning education and communications skills
- Women and children who are victims of family violence
- Homeless families, children and single adults
- Families with multiple issues including chemical dependency, mental health and criminal behavior
- Native populations who have drug and alcohol dependency issues
- MFIP (Welfare Families) with more than four children
- Seniors who cannot live independently
- Individuals with severe mental illness
- Youths and runaways whose families are unable or unwilling to provide housing

MPHA's project based initiatives have helped fill a huge gap in the continuum of care needs for families in the Minneapolis community. Prior to this program, there would be opportunities for services, but lack of affordable housing would limit and often undermine the ability to receive consistent and ongoing services. In other instances, families would qualify for housing assistance, but with the supportive services, the family would lose their housing and be in even more dire situations as their rental histories undermined future opportunities for housing.

MPHA's project based programs help to bridge the housing service gap and creates opportunities for those participating in the supportive services programs. Last year MPHA adopted a policy that sets aside up to 20% of unallocated vouchers to be available for those who participate in project based voucher programs for one year. This allows families to who are successful in their programs to move out into other housing options and subsequently frees up space for another person or family needing housing and services to find an opening.

● **Other Section 8 Initiatives:**

Family Unification Program (FUP)

MPHA and Hennepin County successfully collaborated in securing 100 FUP vouchers to assist families who are at risk of their children being put in 'out-of- home' placement or whose children may not be reunified with their families due to lack of affordable housing.

These FUP vouchers will also be made available to youth emancipating from foster care and

at risk of homelessness. MPHA and Hennepin County entered a Memorandum Of Understanding (MOU) to ensure services and support to these families and youth.

Tornado Disaster Assistance Vouchers (TDVs)

The MPHA Board of Commissioners modified the agency's Section 8 Admin Plan to provide an additional preference that would allow Section 8 assistance to be offered to families on the MPHA Public Housing and Section 8 Wait Lists who have been displaced from their housing due to the May 22, 2011 tornado, provided that they are otherwise eligible for the Section 8 program.

MPHA, the City of Minneapolis and Hennepin County Assessment team developed a certification process that identifies families displaced due to the tornado. The certification will be used for the sole purpose identifying up to 100 families who may be eligible to receive a Housing Choice Voucher / Section 8 "Tornado Disaster Voucher" (TDV) which must be used in a non-concentrated area of Minneapolis or in a jurisdiction outside the City of Minneapolis.

This initiative serves as a model for MPHA's capacity to respond to disasters and be an effective partner in responding to the needs of the local community in times of crisis.

● **Publicly Owned Transitional Housing (POTH)**

MPHA, as a unit of local government, can utilize its status to serve as a recipient of funds and ownership entity for collaborative efforts to address specialized needs in the community. MPHA has served in this capacity on at least four occasions.

The State of Minnesota awards funds for target programs, but requires that the entity receiving the funds be a local unit of government and must be the owner if real property is involved. Through these initiatives, MPHA has supported the creation of two women's shelters, one with transitional housing, an emergency housing center for homeless youth and a program which offers transitional housing for chemically dependent women.

These POTH programs do not require MPHA to make vouchers available or contribute other scarce resources. Participation does require a considerable amount of time and in-kind contributions from the Agency as these various POTH agreements are negotiated and the properties developed. Once the programs are developed and in place, MPHA must still meet minimum requirements for reporting and ensuring compliance by the partner organizations.

However, the increase in shelter opportunities and the supportive services that can lead to self-sufficiency are compatible with MPHA's mission and have prompted the Agency on occasion to take on this responsibility as a POTH program owner.

● **Resident Involvement / Resident Services**

MPHA has a rich history of promoting resident involvement and fostering the development of services that respond to the needs of residents. MPHA's success at such efforts is exemplified in three areas:

1. Social Services in the Highrises

The Minneapolis Public Housing Authority (MPHA) has a long-standing agreement with the Volunteers of America of Minnesota (VOAMN) to provide social services to its highrise residents. Funding for the VOAMN social services is provided primarily through a separate contract between VOAMN and Hennepin County Human Services Division. MPHA provides in-kind services consisting of free, on-site office space, as well as service coordinator funds which permit services to both elderly and non-elderly disabled residents. In return for the support provided by MPHA, VOAMN provides individual social services to highrise residents which include operation of congregate dining programs, case management, group activities, and support to the resident councils. In addition, services provided by VOAMN are very critical to MPHA's successful senior only housing programs.

2. Minneapolis Highrise Representative Council

The Minneapolis Public Housing Authority (MPHA) and Minneapolis Highrise Representative Council (MHRC) have an on-going partnership in supporting resident involvement in various aspects of MPHA's operations. The MHRC is a city-wide (jurisdictional) resident council organization which provides a variety of training, advocacy services to residents, and administration of various resident empowerment programs. Examples of some of these programs include the laundry project which entails maintaining of the laundry facilities in the highrises and offers residents opportunities for employment and volunteerism. Another program is the Project Lookout program which entails training and administration of a voluntary resident patrol program involving residents observing and reporting suspicious and/or crime related activities to MPHA and/or to the police. The MHRC also administers the joint MPHA/MHRC Diversity Initiatives program. MPHA has a very diverse resident population and as such this program addresses residents understanding of cultural differences through training, education, and community activities.

3. Resident Participation

MPHA has established various venues for resident review, input, and participation in its operations and to foster residents' involvement in their communities. MPHA has two (2) resident members on its Board of Commissioners and continues to partner with 41 resident

councils (which includes one jurisdictional council, i.e. the MHRC) providing technical assistance to aid in their operations/programs. In addition, resident participation funds are distributed to the councils, with the assistance of MHRC, to permit them to fund community building activities, train resident leaders, and support coordination specific resident services to enhance residents' overall quality of life.

MPHA residents and program participants have engaged the Agency and continually challenge it to deliver the highest quality services; MPHA has responded by achieving 'high performer status' since 1997. Resident dialog with MPHA in both formal and informal environments and through these communication venues allows the Agency to learn what residents need and value and together innovations and changes occur. MPHA residents and program participants take great pride with MPHA staff on what has been accomplished with the strictures of the funding shortfalls, federal and state mandates and a regulated environment. The MTW statutory objectives will be a springboard for new opportunities and MPHA and residents look to the future of MPHA with MTW as a new tool.

- **Section 8 Housing Quality Standards Inspections Demonstration Program Partnership with City of Minneapolis Inspections Department**

MPHA plans to enter into a demonstration partnership with the City of Minneapolis where MPHA and the City of Minneapolis Inspections Department will explore the use of the City's Landlord Certification, Licensing and Inspections Process in lieu of MPHA's Section 8 HQS inspections criteria. The City of Minneapolis landlord licensing criteria is overall equal to and in some cases more stringent than HUD HQS requirements and MPHA believes that its HQS inspections protocol may be duplicative of the City's licensing and inspections process resulting in inefficient and overlapping use of government resources.

MPHA plans to negotiate an agreement with the City of Minneapolis to implement the inspections protocol in selected areas of the City permitting landlords who pass the City's Landlord Licensing Criteria within the past year to be approved for the Housing Choice Voucher program. MPHA intends to compare the demonstration initiative with its other HQS inspections activities related to costs, quality, and satisfaction by HCV participants and landlords. MPHA will take all steps required to implement this in 2011 and evaluate the initiative in accordance with the terms of the negotiated agreement.

- **Senior Resident Wellness Initiative**

MPHA's new ARRA funded Heritage Park Senior Services Center includes a partnership with the Minneapolis Y. MPHA and the Y will develop an Agreement where MPHA Seniors will receive subsidized access to the Y at the Heritage Park Senior Services Center.

- **Girls in Action**

MPHA intends to partner with 'Girls in Action' (GIA) to develop a youth leadership and mentoring program for young teen girls from its Family and Scattered Site developments.

The mission of the GIA program is to, “motivate, empower and educate girls about the importance of understanding their personal power, achieving academically, actualizing their personal leadership, creating positive social change in their local community, and developing a career plan that includes post-secondary education. Some MPHA youth (girls) are currently participating in the GIA program; however, through this demonstration program we are hoping to increase participation and the ultimate success of the youth.

- GIA will develop a customized program for MPHA youth with a focus on youth in Glendale and Scattered Sites.
- The program will have a link to scholarship efforts based on youth achieving good grades (academic achievements).
- Mentorship/Leadership components that will connect youth to their communities, support relationships with parents/family.
- Will also look for training opportunities for MPHA residents to become Core Women Leaders.
- Potential (projected) number of girls to be served via this demonstration is 40.

C. MPHA Mixed Finance Development Statement.

Minneapolis Public Housing Authority has a unique and distinct relationship with the owners of mixed finance developments created as the result of the Hollman Consent Decree. Whereas MPHA neither owns nor manages these units, MPHA Statement of Policies and Moving To Work initiatives that are not otherwise specific requirements under Federal Law will not apply to families housed in these units, unless MPHA and the owners mutually agree.

Section IV: Long-term MTW Plan (Optional)

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

MPHA's Long Term MTW vision integrates the mission of the Agency with the purposes of the MTW Statute by identifying long-term initiatives that can be realized under the flexibility of MTW.

1. High Performer Status

MPHA is committed to maintaining its "high performer status" in its Public Housing and Section 8 Housing Choice Voucher programs. In this era of funding shortfalls and increasing unfunded mandates, MPHA intends to use the MTW flexibility to focus its resources and adopt policies that support high quality services to residents and program participants, maximize opportunities for efficient and effective delivery of our programs and take actions to preserve our properties for future generations.

2. Preserve MPHA Properties

MPHA has conducted a comprehensive needs assessment of its highrise developments, Glendale family town home development, scattered site housing and its administrative buildings. The capital needs in the next ten years are estimated to be approximately \$170 million. The Facility Condition Index (FCI) analysis of our properties has identified significant needs, which if unaddressed, would in ten (10) years leave our properties in the "poor" range. A number of asset management strategies are currently being implemented, which has reduced our capital needs by \$90 million and moved our properties into the "fair" range. These strategies include an Energy Performance Contract (EPC) in excess of \$30 million, the completion of our ARRA Formula Grant activities, the implementation of our Capital Fund Recovery Competition Scattered Site Green Initiative and use of our MTW authority to dedicate funds to capital needs. Given steady CFP funding levels over the next five years, MPHA properties will remain in the fair range.

3. Self-Sufficiency Initiatives

MPHA is committed to enhancing self-sufficiency opportunities for its residents and program participants. MPHA will target resources and utilize MTW flexibility to address the statutory requirement of providing "incentives to families with children whose heads of households 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”. MPHA also sees self-sufficiency in a broad perspective and will utilize its MTW authority to promote employment and training opportunities for single adults, create and enhance programs to allow elderly residents and program participants to remain in their homes and be self-sufficient in daily living activities and to assist youth to break the cycle of poverty.

4. Housing Choice Voucher Participation

The need for affordable housing in Minneapolis and the surrounding metropolitan area has increased significantly over the past several years. It is estimated that there are over 5,000 people, including significant numbers of children, who are homeless on any given night in our area. MPHA intends to increase its use of vouchers, engage in additional targeted project based Section 8 programs and use MTW authority to better respond to the housing needs of low-income families in our community.

5. Promote Home Ownership / Foreclosure Prevention

Over 192 families have purchased homes through MPHA’s various homeownership programs. Under MTW, MPHA will combine its homeownership initiatives and has added a Foreclosure Prevention component. MPHA will partner with community agencies to help low-income families become first time home owners and to avoid foreclosure.

MPHA has revamped its Section 8 Homeownership program and based upon the knowledge learned through its demonstration program. The agency has made changes that enhance opportunities and supports for participating families. The goal is to promote self-sufficiency and success for first time homebuyers. This initiative under MTW provides one-on-one counseling, mortgage support, down payment assistance and post purchase follow up to participating families.

6. Rent Reform/Simplification

MPHA will analyze its rent policies to make the processes simpler, more resident friendly, cost effective and to encourage families to become more self-sufficient. These strategies include doing re-certifications every three years for elderly or disabled public housing residents who are on a fixed income and simplifying processes for monitoring the earned income disregard. MPHA has created a working family incentive in both its Section 8 HCV and low-rent programs. 15% of all earned income will be disregarded in rent calculations. MPHA is also changing its Minimum Rent Policy to encourage employment and promote self-sufficiency. MPHA will continue to develop these and other rent reform initiatives in consultation with residents, program participants, resident organizations and other key constituencies.

7. Resident/ Participant Involvement and Collaboration

MPHA has a strong history and commitment to resident/participant involvement and collaboration. MPHA works with 40 highrise resident councils, a city-wide Minneapolis Highrise Representative Council and three family based resident organizations. There are two resident members on the MPHA Board of Commissioners. MPHA also works with the Tenant Advisory Committee (TAC) that meets prior to each board meeting and comments on issues presented to the MPHA Board. In addition, the MPHA Board of Commissioners appoints a Resident Advisory Board (RAB) that has helped to develop MPHA's annual Agency Plan and now assists with developing its MTW Plan.

MPHA also works with various other resident committees including the Resident Participation Fund Committee, Security Advisory Committee (SAC), Modernization, Maintenance and Management (MMM) Committee and other committees where residents and participants collaborate with MPHA on various projects and issues. MPHA intends to continue to improve these collaborations under MTW.

8. Community Partnerships

MPHA has a unique and special collaboration with the City of Minneapolis which helps the City respond to critical affordable housing needs. In addition, the agency has established partnerships with various community agencies and organizations that have resulted in increased services for its residents and contributed to the betterment of the community. MPHA sees MTW as a vehicle for enhancing those partnerships and increasing opportunities for collaboration.

MPHA is also partnering with the City of Minneapolis to develop and implement smoking reduction policies at MPHA owned properties.

9. Capital Fund

MPHA will use MTW flexibility in developing strategic responses to its five-year capital needs assessment. MPHA will allocate resources in a manner that prioritizes the needs and balances other operational and program demands.

10. Strategic Planning Initiative

MPHA has undertaken a strategic planning initiative and will begin to implement a strategic plan in 2012. This plan will establish the agency's priorities, guide its actions and provide the framework for its future endeavors.

MPHA's Strategic Plan will include a strategic direction that calls upon the agency to conduct a comprehensive analysis of the agency's security and safety systems, develop new strategies and adopt a new, integrated approach to responding to the security needs of MPHA and its residents.

MPHA will consider various rent reform opportunities as it begins to implement its strategic initiatives.

Section V: Proposed MTW Activities: HUD Approval Requested

Activity #1: Bi-Annual Housing Quality Standards Inspections for Multifamily Complexes

A. Description of Activity

The Section 8 HCV Program is proposing to modify its annual inspection process to allow for bi-annual Housing Quality Standards (HQS) inspections of qualifying HCV units that are in multifamily complexes of 6 units or more. MPHA identified complexes of 6 units or more as the threshold for this initiative as these developments are typically managed by professional management companies, which tend to have more experienced maintenance staff and more resources to draw on to perform any needed repairs. In 2010, 38 units in complexes of 6 units or more went into abatement, as opposed to 109 units in buildings with 5 units or less.

MPHA will inspect these units every two years as long as the following is true:

- 80% of units in the complex passed HQS inspection in the last two years, excluding units that fail solely for tenant-caused violations
- the complex is managed by a professional residential property management company
- In the year that MPHA does not inspect their property, owners self-certify that each unit meets HQS. Participants and owners are always able to request a special inspection pursuant to the allowances provided by MPHA's Section 8 Administrative Plan.

Owners would have the same time period to cure defects as under current regulations and the standards to fix life-threatening conditions and thirty (30) days (or longer period if approved by the PHA) for other defects would remain.

B. MTW Statutory Objective

As an MTW initiative this activity addresses the statutory objective of achieving greater cost effectiveness in federal expenditures by reducing staff time and costs associated with annual inspections.

C. Anticipated Impacts

The anticipated impact of this initiative is increased compliance and oversight of the properties in the Section 8 HCV program by effectively reallocating resources. The

proposed initiative will reduce the time allocated to inspect units within large multifamily complexes – which routinely pass inspections – and will allow for a strategic focus on properties that have a history of failing inspections. This will enable MPHA to strengthen its focus on increasing the quality of the City’s housing stock. Ultimately, this initiative may result in increased stability for HCV households by decreasing moves related to poor housing conditions. This initiative would decrease the frequency of required annual inspections for 2,158 units or 48% of assisted units, which is a significant decrease in number of staff hours for HQS inspections.

D. Baseline and Benchmarks

- **Baseline:**

Please note that data for 2011 is not yet complete, so the draft MTW Plan will contain data from 2010. Subsequent updates of the MTW Plan and the MTW Report will contain data from 2011 upon its availability.

- 7,411 annual inspections or re-inspections were conducted in 2010.
- 3,716 annual inspections or re-inspections were conducted in 2010 for units in multifamily complexes of 6 units or more.
- There are 448 complexes of 6 or more units consisting 2946 unit fo these 2917 or 99% passed inspections
- 1,565 hours of staff time for inspections and reinspections of complexes of 6 or more units.

- **Benchmarks:**

- 15% fewer annual inspections conducted in 2012 for a total of 6,299 inspections.
- 80% or 358 units will pass biannual inspections completed for units in multifamily complexes of 6 units or more in 2014
- 782 hours of staff time will be saved under this activity.

E. Data Collection & Metrics

Data will be collected manually and from MPHA’s administrative data system.

Metrics will include:

- Number of units inspected by building type
- Analysis of the change in passed inspection by building type
- Analysis of negative impacts e.g. participant complaints and other data made available through the bi-annual or interim inspections process.

The MPHA will collect and analyze inspection data on the above metrics from its Visual Homes system for this MTW activity.

F. Authorization Cited

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).

G. Rent Reform Analysis:

This is not a rent reform initiative

Activity #2: Earned Income Disallowance Simplification (Section 8/HCV)

A. Description of Activity

In the Section 8 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.

B. MTW Statutory Objective

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

C. Anticipated Impacts

Currently utilization of EID is very low, typically a few dozen families or less than 1% of all participant families, and as a result we do not expect this initiative to affect a large number of families. Limiting the duration of EID will provide an incentive for families to maintain employment because they will receive a full disregard for two years.

Though we do not anticipate any savings during the first year of the initiative, we do anticipate a reduction in staff processing error rates. While we cannot forecast the impact to the number of interims under EID at this time, we do believe that families will be more encouraged to retain employment when they see an increase in earnings without a corresponding increase in rent for two full years. We will not

have hard measurements until 2014 or after a full two years of the new EID procedure.

D. Baseline and Benchmarks

- **Baseline:**

- 23 families are currently receiving EID
- Average percent of months employed during the current 4 year EID policy. A baseline number cannot be provided at this time because the EID term for the 23 baseline families has not been completed. In future updates to this plan the 23 baseline families will have completed their EID term and at that point the baseline average percent of months employed will be provided.

- **Benchmarks:**

- 15% (or 3 participants) increase in number of families receiving EID
- 15% increase in number of months employed during the new two-year EID policy
- Our software program does not provide a history of the number of months receiving an exclusion. Even a “manual” count cannot occur until current EID participants complete the four-year term and the new EID participants complete their two-year term.

E. Data Collection & Metrics

Data will be collected manually and from MPHA’s administrative data system.

Metrics will include:

- # of families currently receiving EID
- # of months employed while receiving EID

F. Authorization Cited

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.

G. Rent Reform Analysis:

Agency Board Approval of Policy: September 24, 2011

Anticipated Impact: This MTW initiative will enable Section 8 HCV Program to reduce costs and achieve greater cost effectiveness. In addition it will provide an incentive for families to maintain employment because the program will be limited to 2 years and will provide for a full disregard for those 2 years. We believe that the simplification of EID will make it easier for participants to understand the disregard and more likely to remain employed while enrolled in EID.

Annual Reevaluation of Rent Reform Initiative: This initiative will be evaluated annually as part of MPHA's MTW reporting process.

Hardship Criteria: Participants facing a financial crisis due to loss of employment earnings may request a hardship exemption from the 2 year time frame in order to obtain the maximum benefit of EID. Section 8 HCV will review and honor eligible hardship requests by providing an extension of the EID timeframe, not to exceed HUD's regulatory timeframe of 4 years.

Transition Period: We will enroll participants in EID throughout 2012 as each obtains employment and establishes the required qualifying event.

Documentation of Public Hearing: Public Hearing held August 24, 2011.

Section VI: Ongoing MTW Activities: HUD Approval Previously Granted

The Minneapolis Public Housing Authority (MPHA) proposed ten (10) MTW initiatives under its 2009 MTW Plan, five (5) under its 2010 plan and two (2) initiatives under its 2011 plan. Other than the outside evaluation in Activity 3, MPHA does not intend to utilize outside evaluators for its MTW Activities. Each initiative meets at least one of the statutory purposes listed below:

- ▶ Reduce costs 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; and
- ▶ Increase housing choices for low-income families

MPHA MTW Plan Initiatives Implemented in 2009

MPHA does not anticipate a need to employ additional authorizations to continue initiatives under this section.

Activity 1: Block Grant and Fungible Use of MPHA Resources

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

Activity 2: Recertify Elderly or Disabled Public Housing Resident Families Once Every Three Years Instead of Annually

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. Many have difficulty gathering the yearly documentation in a timely manner and are

relieved that they will only have to go through this process once every three years. MPHA is utilizing EIV to assist with monitoring incomes and outcome metrics for this initiative.

MPHA phased this in over a three-year period and it is now fully implemented. MPHA now 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 3,300 residents will benefit from this MTW activity.

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 2012.

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

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.

The details of the Foreclosure Prevention component is an appendix to the Section 8 Administrative Plan. MPHA also includes in the appendix, revisions to the Section 8 component of the revised MTW Homeownership program.

MPHA conducted informational meetings to announce the Section 8 Moving Home demonstration to public housing residents. MPHA is working with various foreclosure prevention specialists who will refer families facing eminent foreclosure due to unforeseen hardship for participation in SAVING HOME. MPHA will provide Section 8 mortgage assistance.

MPHA will continue this initiative in 2012. MPHA estimates that 7 families will purchase or prevent foreclosure under this initiative in 2012.

Activity 4: Rent Reform: MPHA Will Revise its Earned Income Policy to Allow Eligible Public Housing Families a Full Two-Year Income Disregard

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 will create a full two year income disregard for eligible families and eliminate the administrative hardship and time consuming monitoring.

This MTW initiative will enable MPHA to reduce costs and achieve greater cost effectiveness. In addition, it will provide an incentive for families to maintain employment because the program will be 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.

Staff reports that this has greatly streamlined and simplified the Earned Income Disregard (EID). Residents understand and are able to follow this program better. This program has had more limited participation than initially estimated due to the economic crisis that has denied resident the opportunity to secure employment and take advantage of this program.

MPHA intends to continue this program in 2012

Activity 5: Implement a New Public Housing Family Self-Sufficiency Program

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 as long as they maintain homeownership as their primary goal.

MPHA intends to continue this program in 2012 and anticipates that 50 – 75 families will participate in the program this year.

Activity 6: Section 8 HCV Mobility Voucher Program

MPHA created a Mobility Voucher program to encourage low-income families to move to communities of greater opportunity that are not impacted by poverty or race to find safe, decent and affordable housing in an environment conducive to breaking the cycle of poverty. This initiative responds to HUD's goal of deconcentrating families who live in poverty.

This program is structured to increase housing choices for families on the MPHA Section 8 Waiting List who currently live in areas concentrated by poverty and who are willing to move into non-concentrated areas. In addition, these families will receive a priority for MPHA's Section 8 Family Self-Sufficiency program and for participation in MPHA's homeownership programs.

MPHA has created an appendix to its Section 8 Administrative Plan that details the specific elements of this initiative.

By June 2011, 3,303 applicants were screened for participation in the Mobility Program. Fifteen (15) qualified applicants were determined eligible and were issued vouchers, and there (3) families have leased a unit through this special program opportunity.

In 2012, MPHA will continue to screen applicants for eligibility to the Mobility Voucher Program. Our goal is to have between fifty (50) to seventy-five (75) families under lease with a Mobility voucher by year-end.

Activity 7: MPHA MTW Investment Initiative

MPHA is removing this initiative from active status. MPHA retains authority to reinstate this initiative under the special provisions of Attachment D. However, due to the poor investment opportunities, MPHA has decided to utilize HUD's required investment protocols.

Activity 8: Resident Empowerment Initiative

MPHA is removing this initiative per HUD request as the agency has not created a viable MTW initiative utilizing this authorization. MPHA believes if a specific opportunity arises, such opportunity can be formulated into a specific MTW initiative and does not need to utilize the Resident Empowerment Initiative's status.

Activity 9: Flexible Development Initiative

HUD did not implement its streamlined disposition policy as outlined in the Amended and Restated MTW Agreement making this initiative moot. Therefore, MPHA is removing it from its MTW Plan.

Activity 10: Plymouth Church Initiative

MPHA successfully completed all activities under this initiative and the remaining program components are integrated into MPHA's project based program. The continued activities under this initiative no longer need MTW authority; thus, the initiative is being discontinued.

MPHA MTW Plan Initiatives Implemented in 2010

Activity 1: Public Housing/Section 8 HCV Working Family Incentive

The MPHA Public Housing and Section 8 HCV Program implemented a Working Family Incentive in an effort to increase the income and asset level of families with minor children in which any adult member is employed. For public housing the definition of family is expanded to include households that are exclusively adult. The Section 8 HCV program will continue to focus on families with minor children, as identified in the MTW statutory requirement. The rent calculation contains an automatic fifteen (15) 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 and Section 8 participant working families with children.

MPHA will continue this activity in 2012.

Activity 2: MPHA's minimum rent Initiative for public housing residents and Section 8 HCV participants.

MPHA's Public Housing Low Rent Program implemented the minimum rent initiative in 2011 with the current minimum rent being \$75 per month. Due to the economic crisis, MPHA has decided not to implement the next phase of the minimum rent initiative which would increase the minimum rent to \$100 per month.

MPHA's Section 8 Department will be implementing the minimum rent initiative in 2012 and has decided to charge minimum rent of \$75 per month to remain consistent with the Public Housing Low Rent Program.

MPHA will reevaluate its minimum rent in 2012 and decide whether to maintain or increase the minimum rent for 2013. MPHA continues its hardship exemption programs in both Section 8 and Low Rent Public Housing.

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

MPHA intends to utilize MTW authority and the voluntary conversion or disposition process to convert 312 mixed-finance public housing units of which MPHA neither owns nor manages, to secure 312 new 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. 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 is negotiating with HUD on creation of a Transforming Rental Assistance initiative demonstration utilizing both MTW authority and specific HUD waivers and expects to reach agreement with HUD on an agreement to convert its mixed financed development to project based Section 8 in 2012.

Activity 4: MPHA Rent-to-Own Initiative (Sumner Field Townhomes)

MPHA utilized funds from its ARRA Formula Grant, to purchase 20 townhome development units and intends to create a Rent-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 who qualify for public housing will 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.

MPHA is in the process of implementing this initiative and expects to have all twenty units under lease in 2012. All new Rent-to-Own tenants will participate in MPHA's MTW family self-sufficiency program and work with the agency's homeownership consultant to develop a specific plan to purchase their unit within the five-year timeframe called for in the MPHA's MTW Rent-To-Own initiative.

Should vacancies arise due to tenant inability to meet Rent-To-Own requirements, MPHA will open its site-based waiting list in order to market to new Rent-To-Own families. MPHA will continue this initiative until all units are purchased by participating families.

Activity 5: Foreclosure Stabilization Project Based Voucher Demonstration Program:

MPHA will continue its demonstration program partnership with Project for Pride In Living (PPL) who received a Neighborhood Stabilization Program (NSP) grant from the City of Minneapolis to purchase and rehab foreclosed rental properties in designated 'at risk' neighborhoods throughout the City and offer the units for rent to very low income families. This project would allocate up to 21 Housing Choice Vouchers to be project based at the selected properties in an effort to stabilize those properties and contribute to the well-being of the surrounding neighborhood.

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.

In 2012, MPHA will allocate up to 20 additional vouchers for a total of up to 41 vouchers. The agency will adjust its baselines and benchmarks accordingly depending on the number of vouchers actually awarded. This additional allocation of vouchers is subject to PPL securing necessary Neighborhood Stabilization funding, meeting all HUD subsidy layering and other project base requirements.

MPHA Activities Implemented in 2011

Activity #1: Targeted Project Base Initiative

MPHA issued an RFP to allocate a limited number of vouchers for Project Basing for the specific purpose of creating additional, non-project based, affordable housing for low-income families in the City of Minneapolis.

Under this initiative, the MPHA Project Based Vouchers will foster development of additional affordable housing beyond the number of units to be project based. MPHA has a goal of 120 new affordable units to come from this project.

These vouchers will be awarded to programs and organizations that propose developments where there is a high ratio of new affordable units to those subsidized through MPHA's project based initiative. To facilitate this goal, MPHA is limiting the number of vouchers that will be project based to any development from a low of five vouchers to a high of twenty vouchers.

MPHA expects to award vouchers under this initiative in fall of 2011. All voucher awards are subject to HUD subsidy layering requirements and the specific Targeted Project Base Initiative benchmarks. MPHA expects to sign AHAPS in 2012 and PB HAP Contracts in 2012 and 2013. This initiative will be complete when all developments are under contract and participants lease up their units.

Activity #2: Soft Subsidy Initiative that Increases Housing and Promotes Self-Sufficiency

MPHA will enter into an agreement with Alliance Community Housing with set subsidies for special conditions that are also time limited. We envision these subsidies as time-limited flexible in amount and duration (lasting up to five years). These subsidies need to be structured to incentivize work so that the household is better off financially if the parent works and not penalized dollar for dollar so they are no better off if they work than if they don't. 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 targeted to provide high quality housing to 20 homeless or formerly homeless families beginning January, 2011. HUD process for approving this initiative was delayed for most of 2011, the initiative will be implement beginning early 2012. Most of these families will be multi generationally poor, African American, single parents with little to no work history. Many will have little education, poor rental history and some will have criminal histories. Our 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 will help them with logistical problems as well as questions and concerns that might lead them to give up if unaddressed.

HUD approved this initiative and MPHA will be implementing this through an agreement with Alliance Community Housing in early 2012.

Activity #3: Absence from Unit Initiative

HUD approved the Absence from Unit Initiative as an amendment to MPHA's 2011 MTW Plan. This initiative would preserve the rent obligation for residents/participants who have a temporary loss of income related to an extended absence from the unit defined as 30 days or more. For example, a tenant or Section 8 participant 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 results 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.

MPHA has adopted policy changes and provided notice and communication to residents and Section 8 participants regarding this initiative. MPHA has created a hardship exemption and will continue this initiative in 2012.

Section VII: Sources and Uses of Funding

● Fiscal Year 2012 MTW Budget

MPHA is committed to the long-term preservation of safe, decent, public housing. Over the last several years, HUD has not provided the adequate resources needed to fund public housing operations and capital improvements. In 2011, Congress reduced Capital Fund Program appropriations by 18% leaving MPHA with \$2.3 million less than the 2010 awarded amount. As of August 2011, HUD has only provided 95% of the amount needed to fund public housing operations according to HUD's operating subsidy formula. At the time MPHA prepared this plan for submission to its Board in September 2011, HUD had not yet provided public housing authorities a definitive operating subsidy amount for 2011.

While Congress has passed the T-HUD bill for 2012, the actual 2012 funding levels for MPHA remain uncertain at this time. The Administration has proposed fully funding operating subsidies in 2012 but recapturing PHA's operating reserves in order to do so. HUD's proposal is to reduce MPHA's reserves by approximately \$3 million. As of the date the MPHA 2012 MTW Plan was submitted to HUD, Congress has yet to propose its version of HUD's 2012 budget. Because of the level of uncertainty in HUD funding, it is difficult to plan an accurate budget. Rather than speculate on whether the Administration's proposal will make it through Congress, MPHA has assumed funding levels in line with the current 2011 funding levels and will adjust plans accordingly when funding becomes more certain.

MPHA's 2012 funding for public housing is \$50.8 million and includes \$14.6 million in capital improvements and administration and \$37.2 million to cover operating costs. The budget assumes that HUD will provide 95% of the subsidy formula or \$1 million less than what full funding would provide. The operating subsidy shortfall is proposed to be made up by \$1 million in MTW reserves. The MTW reserves will come from the Housing Choice Voucher Program's excess HAP reserves. Although the MTW funded portion of the budget is consistent with 2011, the non-MTW portion has significantly decreased due to the loss of \$1.4 million in City contributions.

MPHA has a large backlog of capital improvement needs in its public housing real estate. Current estimates project the need for capital improvements at \$170 million over the next 10 years. The proposed capital budget in 2012 anticipates that \$14 million would be expended in 2012 from available Capital Fund Program grants.

Under MTW, MPHA has greater flexibility in the use of HUD funding than what has previously existed and this budget proposes to use Housing Choice Voucher (HCV) Program reserves to make up for public housing operating subsidy shortfalls. In complete contrast to the under-funding of public housing, over the last several years, HUD has provided more in Housing Choice Voucher funding than what MPHA was able to utilize. The use of these reserves to fund public housing deficits not only helps MPHA maintain operating standards but also helps with the long-term preservation of public housing by dedicating more funding to capital improvements than what has been available in previous years.

The 2012 Budget also proposes to fund the Housing Choice Voucher Program at a level expected to cover 4,604 vouchers per month. The demand for affordable housing is significant in Minneapolis; MPHA has over 13,000 families on the HCV Waitlist. Unfortunately MPHA has experienced an increase in the cost per voucher, so although the funding proposed in 2012 is \$500,000 more than 2011, MPHA expects that this funding will cover 112 less vouchers. However, MPHA has increased the number of non-MTW vouchers in use and expects that this will continue in 2012. In addition, this budget proposes to fund HCV administration at \$4.1 million which will keep the overall HCV Program at a balanced budget for 2012.

MPHA is also proposing to continue funding homeownership activities and the completion of the conversion of 312 privately-owned public housing units to Section 8 vouchers. The budget includes \$334,220 for these activities which are proposed to be funded from MTW Reserves.

The 2012 MTW Budget proposes to fund public housing operations at \$37.2 million in 2011; slightly less than 1% more than 2011. However, the overall public housing operating program is funded at \$1.29 million less than 2011 due to the loss of City contributions. Capital improvements are funded at \$13.3 million in 2012; a 22% decrease but in line with current HUD Capital Fund Program funding levels. In contrast to 2011, MPHA is not proposing to use MTW reserves to fund additional capital expenditures in 2012 but rather using those reserves to make up for operating subsidy shortfalls. MPHA is funding Housing Choice Vouchers at \$41.5 million; approximately \$500,000 more than in 2011.

● **Fiscal Year 2012 Non- MTW Budget**

Also presented is the funding that MPHA plans on utilizing in 2012 that is outside of the MTW Agreement.

The primary activities funded by Non-MTW funds in 2012 include the Section 8 Moderate Rehabilitation Program, Veteran Administration Supportive Housing (VASH) vouchers, Family Unification Vouchers, and the MPHA's Central Office Cost Center. The Section 8 program is funded at levels consistent with 2011 and the VASH vouchers include funding expected to cover 100 vouchers. The Family Unification program is expected to fund 50 vouchers in 2012. The Central Office Cost Center is budgeted at \$800,000 less than 2011 reflecting the completion of American Recovery and Reinvestment Act projects and the fees associated with administering those grants.

**Minneapolis Public Housing Authority
Moving To Work
2012 Proposed Sources & Uses**

SOURCES	Public Housing	COCC	HCV ¹	Other ²	Total MTW
DWELLING RENT	\$ 14,400,000	\$ -	\$ -	\$ -	\$14,400,000
INVESTMENT INCOME	\$ 55,000	\$ -	\$ 30,000	\$ -	\$85,000
OTHER INCOME	\$ 975,000	\$ -	\$ 215,000	\$ -	\$1,190,000
HUD OPERATING SUBSIDY	\$ 20,686,879	\$ -	\$ -	\$ -	\$20,686,879
HUD HAP SUBSIDY	\$ -	\$ -	\$ 43,116,645	\$ -	\$43,116,645
HUD CAPITAL/RHF FUNDS	\$ 14,613,000	\$ -	\$ -	\$ -	\$14,613,000
HUD HCV ADM. FEE	\$ -	\$ -	\$ 2,326,405	\$ -	\$2,326,405
TOTAL MTW SOURCES	\$ 50,729,879	\$ -	\$ 45,688,050	\$ -	\$96,417,929

USES	Public Housing	COCC	HCV ¹	Other ²	Total MTW
ADMINISTRATIVE EXPENSES	\$ 7,265,452	\$ -	\$ 2,865,000	\$ 344,220	\$ 10,474,672
TENANT SERVICES	\$ 831,749	\$ -	\$ -	\$ -	\$ 831,749
UTILITIES	\$ 6,035,384	\$ -	\$ -	\$ -	\$ 6,035,384
MAINTENANCE	\$ 10,745,523	\$ -	\$ -	\$ -	\$ 10,745,523
PROTECTIVE SERVICES	\$ 1,876,232	\$ -	\$ -	\$ -	\$ 1,876,232
GENERAL EXPENSES	\$ 5,212,200	\$ -	\$ 165,000	\$ -	\$ 5,377,200
MANAGEMENT FEES	\$ 6,129,320	\$ -	\$ 1,091,148	\$ -	\$ 7,220,468
NONROUTINE COSTS	\$ 323,211	\$ -	\$ -	\$ -	\$ 323,211
TOTAL OPERATING EXPENSES	\$ 38,419,071	\$ -	\$ 4,121,148	\$ 344,220	\$ 42,884,439
HOUSING ASSISTANCE PAYMENTS	\$ -	\$ -	\$ 41,566,902	\$ -	\$ 41,566,902
CAPITAL IMPROVEMENTS	\$ 13,348,000	\$ -	\$ -	\$ -	\$ 13,348,000
PUBLIC HSG DEVELOPMENT	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CAPITAL	\$ 13,348,000	\$ -	\$ -	\$ -	\$ 13,348,000
TOTAL MTW USES	\$ 51,767,071	\$ -	\$ 45,688,050	\$ 344,220	\$ 97,799,341
MTW NET SOURCES (USES)	\$ (1,037,192)	\$ -	\$ 0	\$ (344,220)	\$ (1,381,412)

Est. Beg. Balance MTW Reserves	\$ 44,538,459 ³
Increase (Decrease) of Reserves	\$ (1,381,412)
End Balance MTW Reserves	\$ 43,157,047

¹ Housing Choice Vouchers

² Includes MTW Initiatives (MHOP Conversion, Homeownership Programs)

³ \$30.1 million in CFP LOCCS (held by HUD)

**Minneapolis Public Housing Authority
Non - Moving To Work
2012 Proposed Sources & Uses**

SOURCES	Public Housing	State/Local	COCC	Section 8	Other	Total Non-MTW
INVESTMENT INCOME	\$ -	\$ -	\$ 54,000	\$ 8,000	\$ 10,000	\$ 72,000
ARRA COMPETITIVE GRANTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CITY/STATE FUNDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FEDERAL SUBSIDY & GRANTS	\$ 68,000	\$ -	\$ -	\$ 3,311,000	\$ -	\$ 3,379,000
MGMT FEES	\$ -	\$ -	\$ 7,220,468	\$ -	\$ -	\$ 7,220,468
INSURANCE PREMIUMS	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
OTHER INCOME	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ 150,000
TOTAL NON-MTW SOURCES	\$ 68,000	\$ -	\$ 7,424,468	\$ 3,319,000	\$ 60,000	\$ 10,871,468

USES	Public Housing	State/Local	COCC	Section 8	Other	Total Non-MTW
ADMINISTRATIVE EXPENSES	\$ -	\$ -	\$ 6,620,968	\$ 313,000	\$ 25,000	\$ 6,958,968
TENANT SERVICES	\$ 68,000	\$ -	\$ -	\$ -	\$ -	\$ 68,000
UTILITIES	\$ -	\$ -	\$ 165,000	\$ -	\$ -	\$ 165,000
MAINTENANCE	\$ -	\$ -	\$ 185,000	\$ -	\$ -	\$ 185,000
PROTECTIVE SERVICES	\$ -	\$ -	\$ 40,500	\$ -	\$ -	\$ 40,500
GENERAL EXPENSES	\$ -	\$ -	\$ 63,000	\$ -	\$ 85,000	\$ 148,000
MANAGEMENT FEES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NONROUTINE COSTS	\$ -	\$ -	\$ 350,000	\$ -	\$ -	\$ 350,000
TOTAL OPERATING EXPENSES	\$ 68,000	\$ -	\$ 7,424,468	\$ 313,000	\$ 110,000	\$ 7,915,468
HOUSING ASSISTANCE PAYMENTS	\$ -	\$ -	\$ -	\$ 3,006,000	\$ -	\$ 3,006,000
CAPITAL IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PUBLIC HSG DEVELOPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL NON-MTW USES	\$ 68,000	\$ -	\$ 7,424,468	\$ 3,319,000	\$ 110,000	\$ 10,921,468
NON-MTW NET SOURCES (USES)	\$ -	\$ -	\$ -	\$ -	\$ (50,000)	\$ (50,000)

Est. Beg. Balance Non-MTW Reserves

Increase (Decrease) of Reserves

End Balance Non-MTW Reserves

\$ 9,496,150

\$ (50,000)

\$ 9,446,150

**Minneapolis Public Housing Authority
Consolidated MPHA
2011 Proposed Sources & Uses**

SOURCES	MTW	Non-MTW	Elimination	PHA
DWELLING RENT	\$ 14,400,000	\$ -	\$ -	\$ 14,400,000
INVESTMENT INCOME	\$ 85,000	\$ 72,000	\$ -	\$ 157,000
ARRA COMPETITIVE GRANTS	\$ -	\$ -	\$ -	\$ -
CITY/STATE FUNDS	\$ -	\$ -	\$ -	\$ -
HUD SUBSIDY & GRANTS	\$ 80,742,929	\$ 3,379,000	\$ -	\$ 84,121,929
MGMT FEES	\$ -	\$ 7,220,468	\$ (7,220,468)	\$ -
INSURANCE PREMIUMS	\$ -	\$ 50,000	\$ (50,000)	\$ -
OTHER INCOME	\$ 1,190,000	\$ 150,000	\$ -	\$ 1,340,000
TOTAL SOURCES	\$ 96,417,929	\$ 10,871,468	\$ (7,270,468)	\$ 100,018,929

USES	MTW	Non-MTW	Elimination	PHA
ADMINISTRATIVE EXPENSES	\$ 10,474,672	\$ 6,958,968	\$ -	\$ 17,433,640
TENANT SERVICES	\$ 831,749	\$ 68,000	\$ -	\$ 899,749
UTILITIES	\$ 6,035,384	\$ 165,000	\$ -	\$ 6,200,384
MAINTENANCE	\$ 10,745,523	\$ 185,000	\$ -	\$ 10,930,523
PROTECTIVE SERVICES	\$ 1,876,232	\$ 40,500	\$ -	\$ 1,916,732
GENERAL EXPENSES	\$ 5,377,200	\$ 148,000	\$ (85,000)	\$ 5,440,200
MANAGEMENT FEES	\$ 7,220,468	\$ -	\$ (7,220,468)	\$ -
NONROUTINE COSTS	\$ 323,211	\$ 350,000	\$ -	\$ 673,211
TOTAL OPERATING EXPENSES	\$ 42,884,439	\$ 7,915,468	\$ (7,305,468)	\$ 43,494,439
HOUSING ASSISTANCE PAYMENTS	\$ 41,566,902	\$ 3,006,000	\$ -	\$ 44,572,902
CAPITAL IMPROVEMENTS	\$ 13,348,000	\$ -	\$ -	\$ 13,348,000
PUBLIC HSG DEVELOPMENT	\$ -	\$ -	\$ -	\$ -
TOTAL CAPITAL	\$ 13,348,000	\$ -	\$ -	\$ 13,348,000
TOTAL USES	\$ 97,799,341	\$ 10,921,468	\$ (7,305,468)	\$ 101,415,341
NET SOURCES (USES)	\$ (1,381,412)	\$ (50,000)	\$ 35,000	\$ (1,396,412)

Est. Beg. Balance PHA Reserves	\$ 54,034,610
Increase (Decrease) of Reserves	\$ (1,396,412)
End Balance PHA Reserves	\$ 52,638,198

Section VIII: Administrative

► MPHA Public Process

MPHA is proud of its resident involvement and uses extraordinary efforts to solicit input in the development of its Moving To Work (MTW) Plan. The MPHA Board of Commissioners appointed the MTW Resident Advisory Board (RAB) February 2011. The RAB consists of resident representatives from MPHA public housing highrises, scattered site units and its family development as well as participants from MPHA's Section 8 Housing Choice Voucher program. The RAB meets on a regular basis working with Agency staff to consider proposals for the Draft MTW Plan. This year's RAB also reviewed changes to MPHA's Public Housing Lease, Statement of Policies (ACOP) and Section 8 HCV Administrative Plan and participated in MPHA's Strategic Planning process.

In addition, MPHA and the MTW RAB representatives participate in MTW Plan information gathering with highrise residents, family and scattered site residents, Section 8 HCV participants and their respective councils and organizations as well as meetings with community constituencies. Information gathered from these meetings along with needs and issues identified by staff are utilized in developing the draft plan. The MPHA Board of Commissioners conducted a public hearing on August 24, 2011 as part of the MTW Plan Review process.

MPHA published its Draft MTW Plan along with proposed changes to its ACOP (Statement of Policies), Highrise and Family Leases and Section 8 Administrative Plan on August 5, 2011 and accepted comments through September 9, 2011.

The Final MTW Plan includes recommendations by the MTW RAB, comments from attendees at the public hearing, as well as comments from various resident organizations, key constituencies and individual residents and includes MPHA's responses and changes to the Final MTW Plan.

MPHA is not utilizing any external evaluators for its overall MTW Demonstration.

The Final MTW Plan and supporting documents were approved by the MPHA Board of Commissioners on September 28, 2011.