MOVING TO WORK ANNUAL REPORT

FY2014

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Mission & Vision

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, with partners contribute to the well-being of the individuals, families and community we serve.

MPHA will continue to be a dynamic and innovative leader in the Minneapolis community with an even greater commitment to promoting, creating, managing and preserving, and delivering quality, affordable housing and supporting vibrant and diverse communities.

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SECTION I: Introduction

Short and Long-Term MTW Plan

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

MPHA's short term MTW goals for 2014 included using its MTW authority and flexibility to identify and implement strategies that allowed the agency to continue serving as many families as possible – by providing safe, affordable and decent housing opportunities in the wake of on-going reductions in federal and local funding, dealing with the impact of sequestration and addressing the continuing and burdensome and bureaucratic demands made on our programs.

In 2014, MPHA successfully adopted a comprehensive Rent Reform Initiative in our Section 8 Housing Choice Voucher (HCV) program that simplified the administrative process for both staff and participants, provided a more participant friendly and easier to understand tiered subsidy model and generated significant savings in federal expenditures that allowed MPHA to continue to house hundreds of HCV families who without the Rent Reform Initiative would likely have been terminated from the program. The specifics of the Section 8 Rent Reform are identified in the 2014 Initiative Report under Rent Reform.

MPHA also engaged in an ongoing review of its Asset Management Program portfolio to identify old, antiquated and unproductive properties that may be disposed of, refurbished and/or converted into small cluster developments, mixed financed communities and/or other income producing resources that could support the Agency's overall affordable housing programs. This process included follow up on the Agency's RAD application for Heritage Park that was approved by the MPHA Board in December 2013, submitting Voluntary Conversion application for Heritage Park in 2014, applying for State of Minnesota Housing Finance Agency's Publically Owned Housing Program for GO Bond funding, pursuing HUD's Emergency Security and Safety Grant funding and seeking other sources of funds and supports for its programs. This included a comprehensive review of MPHA's 184 unit Glendale family townhome development which was included as part of the Agency's RAD portfolio application. At the end of 2014 the RAD and Voluntary Conversion applications were still pending with HUD. The Agency did receive an preliminary Approval letter from HUD for its RAD application and met the criteria for HUD ESS grant program but was not drawn in the lottery.

MPHA explored partnering with other agencies, organizations, units of government to fully utilize its Faircloth ACC authority to expand and/or create additional affordable housing in our community. Through this process MPHA and its partners developed an "Families Out of Shelter Initiative" that was included in MPHA's 2015 MTW Plan .

MPHA explored possible opportunities to utilize authority granted it under PIH 2011-45 **Local, Non-Traditional Activities under the Moving to Work Demonstration Program** partner and/or engage in activities that will position

MPHA to contribute to affordable housing needs in the community. While no specific initiatives were created through this process, the Agency has identified two likely initiatives addressing Homeless families with children and partnering with an organization that seeks to provide employment, housing and services to persons coming out of prison. These initiatives are being considered in MPHA's 2016 MTW planning process.

Planned Capital Fund:

MPHA's short term 2014 Goal s also included a comprehensive physical needs assessment in 2014. The most recent needs analysis indicated an unmet capital need of approximately $244 million over the next ten years for its public housing units. A comprehensive physical needs assessment was conducted in 2014.

- At the close of 2014, MPHA had completed physical needs assessment inspections at all of its properties and was working to finalize data. MPHA assessed for a 20-year capital need and expects the latest $244 million figure to increase substantially. Findings will be published in Spring 2015.

MPHA estimated $13,200,000 in planned capital fund expenditures in 2014 including:

- Comprehensive apartment rehab, piping, apartment upgrades, sprinkler systems, elevator modernization, facade restoration, roof replacement, and various building improvements.
- MPHA's 2014 Capital Fund expenditures were approximately $10 million.

Long Term MTW Initiatives:

MPHA adopted a new 5-year Strategic Plan in 2012 and its seven Strategic Directions serve as the framework for its long term MTW Initiatives:

1. **MPHA's highest priority is to preserve its viable housing portfolio so it remains a resource for affordable, safe, and high quality housing for its residents.**
   In 2014 MPHA:
    - Utilized its flexible fund authority to allocate additional funding to its capital fund program and for support of its public housing operations.
    - Completed a Comprehensive Needs Assessment on all its properties
    - Continued the activities of its Internal Security Planning Team created in 2013
    - Utilized Security Contingency funds to add additional cameras, servers and staff the new Agency Command Center
    - Enhanced Security Monitoring Capability at Highrises in Resident Council Offices and in all units at small developments by placing additional cameras and creating viewing capacity at Resident Council Offices and enabling all residents in smaller low rise buildings to view cameras from their apartments
    - Completed construction of the Agency Security Command Center at Agency Central Office and merged the Agency Work Force activities with the new Command Center.
2. **MPHA will maximize effective use of its Section 8 Housing Choice Voucher Authority and have as a priority to maintain its baseline number of Tenant-Based vouchers and respond to additional critical Minneapolis**

community affordable housing needs by assessing revenue streams, resource implications, and opportunity costs as it allocates its vouchers.

In 2014 MPHA:

- Adopted a Comprehensive Rent Reform Initiative to assist the Agency with overall costs savings while continuing to serve as many families as it could. Successfully implemented its 'Soft Subsidy' Initiative and finalized awarding of vouchers under its Targeted Project Based Voucher Program which increased the overall affordable housing development in Minneapolis

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

In 2014 MPHA:

- Continued to move forward with its initiative to make the Agency smoke free by 2016. MPHA had only three of its highrise developments out of 42 left to be converted to 'smoke free' at the end 2014.
- Housed its first MTW Interim Housing residents under an Initiative with Hennepin County to provide short-term housing with services to homeless individuals coming out of the hospital who still needed services
- Celebrated its second anniversary of the opening of the Heritage Park Senior Services Health and Wellness Center and Thomas T. Feeney Manor, the first public housing acute assisted living and memory care housing development in the nation.

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

In 2014 MPHA:

- Worked with Hennepin County and City of Minneapolis to initiate strategies for assisting homeless families coming out of shelter – This MTW initiative was approved by the MPHA Board and submitted to HUD as Part of MPHA's 2015 MTW Plan.
- Continued to serve on the Hennepin County COCC to award funding and respond to housing needs of City's most vulnerable individuals and families
- Adapted its proposed rent reform initiatives to support participant families who lived in Project Based developments which received other HUD funding that conflicted with the Agency's proposed rent reform initiatives
- Collaborated with the City of Minneapolis on its Consolidated Plan.
- Met with the Commissioner of the Minnesota Housing Finance Agency to identify strategies for responding to the critical needs of families with children who were homeless.

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

In 2014 MPHA:

- Developed a balanced budget that overcame the threats posed by both Sequestration and HUD funding reductions that focused resources on the highest priorities in the Agency's Strategic Plan
- Agency Finance Department engaged with the Section 8 Housing Choice Voucher Program in addressing both the budget challenges and elements of the Agency proposed rent reform initiatives.
- Implemented the Agency's comprehensive Rent Reform Initiative that allowed MPHA to more effectively respond to the financial goals that are part of the Agency's Strategic Plan.

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

In 2014 MPHA:

- Assumed all responsibilities for its payroll, benefits and HRIS systems that positioned the Agency to have more control and impact on all of its HR functions.
- Established a Succession Planning Committee that included participation by the Board of Commissioners.
- Engaged in strategic hiring decisions and created the 'Assistant Property Manager' position to foster growth and development opportunities for staff.

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

In 2014 MPHA:

- Held eleven (11) Supplier Diversity Training Sessions involving W/MBE businesses, Section 3 businesses, MPHA Construction Managers and other small businesses. Training included such topics as: Contracting With The Metropolitan Council, Targeted Group Businesses (TGB) & Section 3, Metropolitan Consortium of Community Developers (MCCDD) Capital Assistance – Transactional Financing & Revolving Credit, Contracting Opportunities- City of Minneapolis Community Planning and Economic Development (CPED), Networking on a Budget, Success Through Mentorship, Contracting Opportunities – Urban Homeworks, Best Value Procurement, Minnesota False Claims Act, Minnesota pending Responsible Contractor Legislation, & What keeps you up at night – An Integrated Approach to Business. The 2014 activities in this area are part of a decade long Agency effort to assist small and minority and women owned business to engage in government procurement.
- Participated in the Annual SADBOC Government Procurement Fair promoting small business involvement in MPHA contracting opportunities while promoting the MPHA Section 3 program.
- Accepted Section 3 Certifications for individuals and businesses awarded by other governmental entities in the 13 county Metropolitan Area .
- Continued to maintain a list of qualified Section 3 individuals and businesses. 2014 listing consists of 160 vendors plus 40 registered section 3 residents and/or individuals consisting of journeymen and apprentice plumbers, electricians, carpenters, sheet metal workers, laborers, and concrete/masonry workers, the majority of which are also WBE/MBE vendors.
- Included information on Section 3 eligibility and opportunities in all solicitation packages.
- Maintained a primary contact in the Procurement Department for serving Section 3 certified individuals and businesses and those seeking information and certification.

- Participated in the Section 3 Learning Group – Public Housing Authorities
- Participated in National Association of Minority Contractors (NAMC) monthly meetings.
- Participated on the Minneapolis Urban League Construction Activity Advisory Committee.
- Participated in the Minnesota National Institute of Governmental Purchasing.

Over the next five years, MPHA is committed to responding proactively and strategically in determining its priorities and actions, including when and how to exert its MTW flexibility. MPHA's decision to take the more 'proactive' approach is not new. Since 1991, when it became an independent agency, MPHA has boldly taken calculated risks, engaged the community, and structured its decisions and actions to take maximum advantage of available opportunities to better serve its residents and program participants as well as contribute to the critical housing needs of some of the most vulnerable in our community.

SECTION II: General Housing Authority Operating Information

II. 4 Report: Housing Stock

A. MTW Report: Housing Stock Information

New Housing Choice Vouchers that were Project-Based During the Fiscal Year			
Property Name	**Anticipated Number of New Vouchers to be Project Based***	**Actual Number of New Vouchers that were Project-Based**	**Description of Project**
Emanuel	6	6	Emanuel Housing provides 101 units of affordable, supportive housing. The target population is individuals experiencing long-term homelessness -- many of whom will be disabled. The 6 Project-Based vouchers are in addition al 11 VASH vouchers warded under separate RFP.
Spirit on Lake	5	5	Spirit on Lake is a 46-unit, new construction project that serves the aging gay, lesbian, bisexual and transgender (GLBT) community as well as other low-income families.
Emerson North Family Housing	10	0	The project is located at 1808 Emerson Avenue North, Minneapolis. It will consist of 48 new construction units of affordable family housing of which 10 units will be Project Based Section 8 Housing Choice Voucher units. Emerson North Family Housing will be a mixed income development with 10 units receiving MPHA Project Based Assistance (25% of the units) and 34 of the units with incomes affordable to households at or below 50% of Area Median Income (75% of the units). The Project Based Assistance units will provide permanent supportive housing for Long Term Homeless Families with Services provided by Families Moving Forward (FMF). The Non-Project Based Assistance units will be leased to working families making around $20,000-$40,000 a year (affordable between 40% and 50% area median income).
South Quarter - Phase IV	15	0	The project will encompass an entire city block, o9r approximately 2.3 acres. It will add 90 new mixed-income, high performance homes; transition Aeon's existing 30 unit Pine Cliff Apartments (7 PBV units) into an operationally efficient and energy-wise property; and add approximately 12,000 square feet for Aeon's new office headquarters. South Quarter IV will be a truly economically integrated development, providing market rate and affordable apartment homes for a variety of household sizes, economic levels and lifestyles. The market rate units will have a strong appeal for reasons related to proximity to downtown, easily available transit options, on-site parking, and project amenities that will include a

			fitness room and outdoor common areas in an urban community. The affordable component will cater to individual families earning between 30%, 50%, and 60% of the area median income (AMI) and will also include 12 apartment homes for individuals and families experiencing long-term homelessness.
The Lonoke	4	0	Lonoke development is an historic rehabilitation of a 19 unit apartment building at 1926 3rd Avenue South in the Stevens Square Historic District of the City of Minneapolis. The Lonoke will provide ten units for homeless and long-term homeless individuals with serious and persistent mental illness and dependency. Six of the ten homeless units will be housing for homeless. Specialized Choice GRH clients of Simpson Housing. The remaining nine units will provide high quality affordable general occupancy.
		Anticipated Total Number of Project Based Vouchers Committed at the End of the Fiscal Year*	Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year*
Anticipated Total Number of New Vouchers to be Project-Based*	Actual Total Number of New Vouchers that were Project-Based	722	693
40	11	Actual Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	Actual Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year
		693	693

Other Changes to the Housing Stock that Occurred During the Fiscal Year
MPHA through 2014 held an average of 59.0 units per month, off line due to substantial rehab.
In 2014, MPHA received a provisionary approval from HUD for RAD pending Congressional action to increase the RAD unit count. MPHA's Board also approved a Voluntary Conversion application to HUD for Heritage Park. In 2014, Congress did increase the RAD unit allowance to 185,000 for FY2015 and MPHA has received a CHAP for Heritage Park and will be amending its 2015 MTW Plan to move this from Not Yet Implemented to Approved activities for Heritage Park only.

General Description of Actual Capital Fund Expenditures During the Plan Year
Actual 2014 Capital expenditures totaled approx. $10 Million. Major work – completed or initiated – included: • Facade restoration at 1717 Washington and 1515 Park Avenue South. • Piping replacement at 600 18th Ave N • Piping replacement at Hiawatha Towers • Apartment renovation, piping replacement, fire suppression system installation, and heating system upgrades at 1415 East 22nd Street • Roof replacement and other infrastructure upgrades at a number of scattered site homes. • Common area improvements and site work at 1707 - 3rd Avenue South • Roof replacement at 3116 Oliver • Apartment renovation, piping replacement, fire suppression system installation, window replacement, and common spaces modernization at 2533 1st Ave S • Elevator modernization at five sites: 800 - 5th Ave N, 315 Lowry Ave N, 1717 Washington, 1920 - 4th Ave S, and the Elliot Twin Apartments Forecasted Capital expenditures in the 2014 plan were $13.2 Million. The variance between forecasted and actual spending is due to a number of factors, specifically: • MPHA applied for a large public housing preservation grant from the State of Minnesota to fund a number of projects identified in the 2014 CFP plan. The State of Minnesota advised MPHA to suspend any planning or implementation of these projects until grant awards had been announced, which would not be until late February 2015. • Some of the projects identified in the 2014 Capital Plan have been delayed because additional planning and research has been necessary.

Overview of Other Housing Owned and/or Managed by the PHA at Fiscal Year End				
Housing Program*		Total Units		Overview of the Program
N/A		N/A		N/A
Total Other Housing Owned and/or Managed		N/A		
*Select Housing Program from: Tax Credit, State Funded, Locally Funded, Market-Rate, Non-MTW HUD Funded, Managing Developments for other non-MTW Public Housing Authorities, or Other.				
If Other, please describe:	N/A			

II. 5 Report: Leasing Information

B. MTW Report: Leasing Information

Actual Number of Households Served at the End of the Fiscal Year			
Housing Program: Federal Housing Choice Voucher Program	**Number of Households Served***		
	Planned		Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs**	X		X
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs**	20		20
Port-In Vouchers (not absorbed)	N/A		516
Total Projected and Actual Households Served	20		536

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

** In instances when a Local, Non-Traditional program provides a certain subsidy level but does not specify a number of units/Households Served, the PHA should estimate the number of Households served.

Housing Program: Federal Housing Choice Voucher Program	**Unit Months Occupied/Leased********		
	Planned		**Actual**
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs ***	X		X
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant Based Assistance Programs ***	240		240
Port-In Vouchers (not absorbed)	N/A		6,192
Total Projected and Annual Unit Months Occupied/Leased	240		6,432

The local non-traditional MTW funded Tenant-Based program is the soft subsidy program with Alliance Housing. Alliance Housing began assisting the first families thorough this program in April 2013 and throughout 2014 served 20 families.

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

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

	Average Number of Households Served Per Month	**Total Number of Households Served During the Year**
Households Served through Local Non-Traditional Services Only	X	X

Reporting Compliance with Statutory MTW Requirements: 75% of Families Assisted are Very Low-Income								
HUD will verify compliance with the statutory objective of "assuring that at least 75 percent of the families assisted by the Agency are very low-income families" is being achieved by examining public housing and Housing Choice Voucher family characteristic s as submitted into the PIC or its successor system utilizing current resident data at the end of the agency's fiscal year. The PHA will provide information on local, non-traditional families provided with housing assistance at the end of the PHA fiscal year, not reported in PIC or its successor system, in the following format:								
Fiscal Year:	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Total Number of Local, Non-Traditional MTW Households Assisted	**X**	**X**	**20**	**20**	**X**	**X**	**X**	**X**
Number of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	**X**	**X**	**20**	**20**	**X**	**X**	**X**	**X**
Percentage of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	**X**	**X**	**100%**	**100%**	**X**	**X**	**X**	**X**

Reporting Compliance with Statutory MTW Requirements Maintain Comparable Mix					
In order to demonstrate that the statutory objective of "maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration" is being achieved, the PHA will provide information in the following formats:					
Baseline for the Mix of Family Sizes Served					
Family Size	**Occupied Number of Public Housing units by Household Size when PHA Entered MTW (2008)**	**Utilized Number of Section 8 Vouchers by Household Size when PHA Entered MTW**	**Non-MTW Adjustments to the Distribution of Household Sizes***	**Baseline Number of Household Sizes to be Maintained**	**Baseline Percentage of Family Sizes to be Maintained**
1 Person	**4,485**	**1,575**	**X**	**6,060**	**60%**
2 Person	**497**	**783**	**X**	**1,280**	**13%**
3 Person	**216**	**696**	**X**	**912**	**9%**
4 Person	**170**	**586**	**X**	**756**	**7%**
5 Person	**112**	**350**	**X**	**462**	**5%**
6+ Person	**204**	**410**	**X**	**614**	**6%**
Totals	**5,684**	**4,400**	**X**	**10,084**	**100%**
Explanation for Baseline Adjustments to the Distribution of Household Sizes Utilized					

Mix of Family Sizes Served							
	1 Person	2 Person	3 Person	4 person	5 Person	6+ Person	Totals
Baseline Percentages of Household Sizes to be Maintained **	60%	13%	9%	7.50%	5%	6%	100%
Number of Households Served by Family Size this Fiscal Year ***	5,988	1,346	935	747	489	698	10,203
Percentages of Households Served by Household Size this Fiscal Year ****	59%	13%	9%	7.32%	5%	7%	100%
Percentage Change	-2.3%	3.9%	1.3%	-2.3%	4.6%	12.4%	0%
Justification and Explanation for Family Size Variations of Over 5% from the Baseline Percentages	MPHA is serving more families than the baseline requires and the families who came to the top of the waiting list were larger than the baseline average for 3, 5, and 6 person households.						

*Non-MTW adjustments to the distribution of family sizes" are defined as factors that are outside the control of the PHA. Acceptable "non-MTW adjustments" include, but are not limited to, demographic changes in the community's population. If the PHA includes non-MTW adjustments, HUD expects the explanations of the factors to be thorough and to include information substantiating the numbers used.

**The numbers in this row will be the same numbers in the chart above listed under the column "Baseline percentages of family sizes to be maintained."

***The methodology used to obtain these figures will be the same methodology used to determine the "Occupied number of Public Housing units by family size when PHA entered MTW" and "Utilized number of Section 8 Vouchers by family size when PHA entered MTW" in the table immediately above.

****The "Percentages of families served by family size this fiscal year" will reflect adjustments to the mix of families served that are directly due to decisions the PHA has made. HUD expects that in the course of the demonstration, PHAs will make decisions that may alter the number of families served.

Description of any Issues Related to Leasing of Public Housing, Housing Choice Vouchers or Local, Non-Traditional Units and Solutions at Fiscal Year End	
Housing Program	**Description of Leasing Issues and Solutions**
Federal MTW Public Housing Units	Public housing units in North Minneapolis are difficult to lease due to neighborhood crime and high foreclosure rates which results in many non-MPHA units being vacant in the neighborhood. MPHA is partnering with Northside Achievement Zone (NAZ) which is a collaboration of organizations and schools helping families in a geographic "zone" of North Minneapolis to prepare children to graduate from high school ready for college. Families who agree to move into the NAZ area are allowed to apply even though the waiting list is closed, with the requirement that they accept a unit in the "zone". MPHA has studio (efficiency) units located throughout Minneapolis, depending on the actual size and the location, which can be difficult to rent. MPHA is trying new strategies at three buildings with especially hard to lease units where by all new move-ins are housed in efficiency units and when a one- bedroom opens up in that building, it is filled by the resident who has been living in an efficiency the longest. MPHA also has one location (1710 Plymouth) where for the past 10+ years, MPHA has secured permission from HUD to engage in permissible deductions to annual income such that residents pay 20% of their adjusted gross income for rent for these specific units.
Federal MTW Public Housing Rent-To-Own	MPHA has struggled to identify families who meet the rigorous screening criteria of work history, minimum income and an ability to demonstrate credit sufficient to obtain financing within five years. MPHA is working with its housing consultant to provide additional counseling and support as we consider families for this program.
Federal MTW Housing Choice Voucher Units	None

Number of Households Transitioned To Self-Sufficiency by Fiscal Year End		
Activity Name/#	**Number of Households Transitioned***	**Agency Definition of Self Sufficiency**
Earned Income Disallowance/FY2009 - Activity 4 - Public Housing	148	Current or past participants employed at end of 2014
Working Family Incentive/FY2010-Activity 1 - Public Housing	-1	Rent increased to flat rate amount
Rent-To-Own Initiative/FY2010 - Activity 4	7	Participant has income sufficient to purchase a home.
Soft Subsidy Initiative/FY2011 - Activity 2 - HCV Program	6	Participant receiving income sufficient to be off government financial assistance.
Rent Reform/FY2014 - Activity 1 - HCV Program	32	Households going off program for having a $0 HAP portion.
Households Duplicated Across Activities/Definitions		* The number provided here should match the outcome reported where metric SS #8 is used.
0	0	
ANNUAL TOTAL NUMBER OF HOUSEHOLDS TRANSITIONED TO SELF-SUFFICENCY	192	

II. 6 Report: Leasing Information

C. MTW Report: Wait List Information

Wait List Information at Fiscal Year End				
Housing Program(s) *	**Wait List Type****	**Number of Households on Wait List**	**Wait List Open, Partially Open or Closed *****	**Was the Wait List Opened During the Fiscal Year**
Federal MTW Public Housing Units	Elderly/Disabled	5,469	Open	Yes
Federal MTW Public Housing Units	Family	6,103	Partially Open 3,4, & 5 Bedrooms	Yes
Federal MTW Housing Choice Voucher Program	Community-Wide	8,212	Closed	No
Federal MTW Public Housing Units - Rent To Own Initiative	Site Based	1	Open	Yes

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

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

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

Housing Program and Description of the Populations for which the Wait List is Open
Federal MTW Public Housing Elderly/disabled Waitlist - Open for ages 55 and older and disabled.
Federal MTW Public Housing Family waitlist closed for 2 bedroom units but open for families needing 3, 4, and 5 bedrooms. Open one day once per month.
Federal MTW Public Housing Rent To Own wait list open for families that qualify for public housing to rent and eventually purchase the unit.
If Local, Non-Traditional Program, Please describe:
If Other Wait List Type, please describe:
If there are any changes to the organizational structure of the wait list or policy changes regarding the wait list, provide a narrative detailing these changes.

SECTION III: Proposed MTW Activities

All proposed activities that are granted approval by HUD are reported on in Section IV as "Approved Activities".

SECTION IV: Approved MTW Activities

A. IMPLEMENTED ACTITIVIES

FY2014 ACTIVITY 1: HCV RENT REFORM INITIATIVE (Approved and Implemented in 2014)

1. **Description of Activity**

In early 2012, MPHA began evaluating options for streamlining and simplifying the rental subsidy determination and recertification processes while also promoting self-sufficiency for HCV participants. This activity was implemented in January 2014. The initial goal of rent reform was to control costs and eventually achieve savings that would allow us to move families from our waitlist. However, with the advent of sequestration the focus shifted to maintaining assistance for all current families within a severely decreased budget. The following are the proposed elements of MPHA's revised HCV rent reform initiative.

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

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

b) **Minimum Rent:** As part of the flat subsidy model, MPHA revised the application of minimum rent policies, regulated by 24 CFR 5.630 and discontinued its MTW Activity 2010-2 for the Housing Choice Voucher program. When establishing the flat subsidy tables, MPHA structured the minimum rent, which is currently $75, into the tables. If a participant's calculated rent amount is less than the minimum rent amount, the participant shall pay the minimum rent to the owner. MPHA has the discretion to revise the minimum rent. If MPHA would like to revise the minimum rent, the revision would be included in an MTW Plan submission to HUD for review and approval prior to implementation. Families in project-based units which receive funding from HUD's Community Planning and Development department through the Supportive Housing Program (SHP) or the Housing Opportunities for Persons with AIDS (HOPWA) program are exempt from MTW minimum rent and they are also exempt from the Rent Reform Initiative.

c) **40% Affordability Cap:** MPHA eliminated the 40% affordability cap, regulated by 24 CFR 982.508, because under rent reform affordability becomes the responsibility of the family. We will not approve a Request for Tenancy Approval (RFTA) if a participant's rent portion exceeds 50% of their monthly adjusted income without supervisory review and approval.

d) **Revised Asset Income Calculation and Verification Policies:** MPHA revised existing policies on asset verification and calculation, regulated by 24 CFR 982.516. When the market value of a family's asset(s) is below the established asset threshold, initially set at $50,000, MPHA will exclude income from these assets. When the total asset market value is greater than the established threshold, MPHA will calculate asset income by multiplying the asset's market value by the applicable passbook savings rate. MPHA will allow HCV households to self-certify assets in all instances when the market value of the household's total assets is below the established threshold. At the time of implementation, MPHA will determine the passbook savings rate consistent with HUD requirements.

e) **Interim Re-examinations:** MPHA will make the following changes to the interim re-examination policy, regulated by 24 CFR 982.516:
    a. MPHA will limit HCV families to one discretionary interim re-examination between regular annual recertifications.
    b. Between annual recertifications, household members who are employed will not be required to report increases in earned income.
    c. For household members who are not employed, if they become employed that must be reported. Additionally, increases in or new sources of unearned income for any household member and changes in household composition must still be reported.

f) **Working Family Incentive and Streamlined Deductions and Exclusions:** As part of MPHA's revisions to the standard rent calculation method, MPHA streamlined deductions and exclusions as outlined below.

    1) **Working Family Incentive:** To lessen the impact of removing the childcare and dependent deductions, MPHA continued to administer the Working Family Incentive, which is a 15% exclusion of earned income for families with minor children.
    2) **Elimination of Earned Income Disregard (EID):** MPHA is phasing out the MTW EID initiative. Participants who currently receive the EID are exempt from this policy for the duration of their EID term; however, no additional EIDs will be granted. Accordingly, MTW Activity 2012-2 will phase out when all current participants' EID terms expire.
    3) **Eliminate Childcare, Medical Expense and Dependent Deductions:** MPHA has eliminated childcare, medical expenses, and dependent deductions from the calculation of adjusted income.
    4) **Elderly/Disabled Deduction:** To offset the impact of removing medical expense deductions, MPHA increased the standard elderly/disabled deduction from $400 to $750.
    5) **Full-time Student Income:** MPHA is excluding 100% of income for adult, full-time students, other than the head of household, co-head or spouse.

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

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

h) **Flat Subsidy Reasonable Accommodation:** As a reasonable accommodation for individuals with qualifying disabilities, MPHA may provide a higher subsidy for accessible units. When an accessible unit is needed for an individual with disabilities and the rent is reasonable, MPHA may increase the subsidy by 10% of the flat subsidy amount.

i) **Portability:** MPHA revised the portability policies, regulated by 24 CFR 982 Subpart H. Participants will be approved to port-out of Minneapolis only for reasons related to employment, education, safety, medical/disability, VAWA, or housing affordability. Housing affordability means the family wishes to port to a jurisdiction in which the FMR is at least 5% less than the FMR in Minneapolis and the family's rent portion is greater than 40% of their monthly adjusted family income. Families who are denied portability have the right to request an informal hearing.

j) **Mixed Families:** For families with mixed immigration status, MPHA will deduct 10% from the flat subsidy amount. This 10% deduction is a flat deduction from the subsidy amount, regardless of the number of ineligible family members in the household.

E, F, and G. Baseline and Benchmarks

CE #1: Agency Cost Savings				
Unit of Measurement	**Baseline**	**Yearly Benchmark**	**Outcome**	**Benchmark Achieved?**
Total cost of task in dollars (budget for Section 8 HCV program – expenses)	2013 budgeted expenses of $44,451,999	2014 expenses will decrease 9.65%, to $40,162,621	$37,999,506	Yes

CE #2: Staff Time Savings				
Unit of Measurement	**Baseline**	**Yearly Benchmark**	**Outcome**	**Benchmark Achieved?**
Length of time required to complete annual recertification or lease-up	4.5 hours, including all associated tasks (scheduling/rescheduling, interviewing, data gathering and verification, determination of affordability, negotiation of rents, rent reasonableness, rent calculation, and execution of HAP contract) 5,599 annual recertifications and lease-ups were conducted in 2012, equating to 25,195.5 hours of staff time	30 minutes will be saved through the elimination of verification for medical and child care deductions and the simplified rent calculation using the flat subsidy tables 2,799.5 hours of staff time will be saved Time saved will be dedicated to program integrity and tenant education activities	4.5 hours	No. See explanation.
Length of time required to complete interim re-examination	2 hours, including all associated tasks 2,766 interims were conducted in 2012, equating to 5,532 hours of staff time	15 minutes will be saved through the administrative efficiencies gained under rent reform 210 less interims will be conducted due to the limit of one tenant-requested interim	2 hours 8 letters specifically denying requests for	No. See explanations below.

	210 of the 2,766 interims were tenant-requested for households who had already requested an interim within the year, equating to 420 hours of staff time	1,059 total hours of staff time will be saved	second decrease interims were sent; however, 384 letters were sent for first decrease interims which notified participants that they would not be eligible for another decrease interim until after their annual.	
Length of time required to re-do rent reasonableness for all units if FMRs decrease by 5%	30 minutes per unit, or 2,289.5 hours of staff time	100% decrease in time required to re-do rent reasonableness, or 2,289.5 hours saved	Not Applicable (FMRs did not decrease by 5%)	Not Applicable.
TOTAL	33,017 Hours of Staff Time	6,148 Hours Saved	0	No

For all three types of appointments, annual recertifications, lease-ups and interim recertifications, the projected time savings did not materialize in 2014 because in each appointment with a family, staff time was required to explain the new rent reform policies. The participant families were familiar with the standard rent calculation, and the new rent reform policies are so completely different that it took time to explain the changes. We did provide written information about the changes to all participants and we held orientations, but most of the explaining ended up happening in he recertification appointments. Therefore, the rent reform initiative did not save staff time for the 2014 transitional year.

CE #3: Decrease in Error Rate of Task Execution				
Unit of Measurement	**Baseline**	**Yearly Benchmark**	**Outcome**	**Benchmark Achieved?**
Average error rate in calculating adjusted income as a percentage	12.6% error rate in adjusted income calculation	9% error rate in adjusted income calculation	2.7%	Yes

SS #1: Increase in Household Income				
Unit of Measurement	**Baseline**	**Yearly Benchmark**	**Outcome**	**Benchmark Achieved?**
Average income from employment	$17,495	Earned income will increase 2%, to $17,846	$18,501	Yes

SS #3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	**Baseline**	**Yearly Benchmark**	**Outcome**	**Benchmark Achieved?**
6. Other – with earned income	1,504 heads of households had earned income	1,552 heads of households will have earned income	1,535 heads of households have earned income	No. See explanation below.
	58% of work-able households had a head of household with earned income	Work-able households with a head of household with earned income will increase 2%, to 60%	54% of work-able households have a head of household with earned income.	No. See explanation below.

Although the economy in the Twin Cities area is beginning to recover from the recession, it is still proving a challenge for low-income families to find employment. Additionally, MPHA absorbed a significant number of port-in families near the end of 2014, and when families have just ported-in to a new housing authority, it often takes some time for them to procure employment.

SS #4: Households Removed from Temporary Assistance to Needy Families (TANF)				
Unit of Measurement	**Baseline**	**Yearly Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households receiving TANF assistance	2,418 receiving TANF	2,418 will be receiving TANF	2,227 receiving TANF	Yes

SS #6: Reducing Per Unit Subsidy Costs for Participating Households				
Unit of Measurement	**Baseline**	**Yearly Benchmark**	**Outcome**	**Benchmark Achieved?**
Average per unit cost	$730	Per unit cost will decrease 8%, to $672	$645	Yes

SS #8: Households Transitioned to Self-Sufficiency				
Unit of Measurement	**Baseline**	**Yearly Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households transitioned to self-sufficiency as measured by number of households going off program for having $0 HAP subsidy amount - they are self-sufficient because they are paying the full contract rent	14	25	32	Yes

2. **Challenges**

Overall the implementation of this comprehensive change went very well. One challenge that we plan to address going forward is the need for a rental market analysis to ensure that the subsidy levels we are providing under rent reform are in line with current rents in the city of Minneapolis. We want to ensure that MPHA continues to provide a sufficient level of housing assistance to participating families under this rent reform initiative.

3. **Revisions to Metrics, Baselines, and Benchmarks**
   The baselines and benchmarks have not been revised.

4. **Data Collection Methods**
   MPHA collected data on inspections from its VisualHomes database system for this MTW activity. No changes have been made to the data collection methodology.

Authorizations: Attachment C–D1 c. The Agency is authorized to define, adopt and implement a re-examination program that differs from the re-examination program currently mandated in the 1937 Act and its implementing regulations. Regulations waived: 982.516.

Attachment C-D1.g The Agency is authorized to establish its own portability policies with other MTW and non-MTW housing authorities. Regulations waived: 982 Subpart H.

Attachment C–D2 a. The Agency is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the currently mandated program requirements. Regulations waived: 982.503, 982.508, 982.518.

Attachment C–D2 c. The Agency is authorized to develop a local process to determine reasonable rent that differs from the currently mandated program requirements. Regulations waived: 982.507.

Attachment C–D3 b. The Agency is authorized to adopt and implement any reasonable policy for verifying family income and composition and for determining resident eligibility that differ from the currently mandated program requirements. Regulations waived: 982.516, 982 Subpart E. Other regulations waived: 24 CFR 5.520(c)(2).

FY 2013 Activity 1: MPHA – Hennepin County Interim Housing Demonstration Initiative (Approved in 2013 - Implemented in 2014)

Description of Activity

MPHA is partnering with Hennepin County to create a 'Transitional Housing with Supportive Services' demonstration program to allow MPHA to utilize up to eight public housing units for low income individuals who are in need of transitional housing for brief periods from a few days to a few months. In PIC, MPHA will change the classification of these 8 units to MTW neighborhood services units.

These individuals are low income vulnerable persons who will be exiting the hospital, have no support system and need supportive services to avoid re-hospitalization and who without such services would remain in the hospital costing thousands of dollars which could be significantly mitigated under this initiative. Hennepin County refers participants to the program and provides MPHA with income verification data to ensure compliance with public housing eligibility criteria. Hennepin County will determine the length of stay based upon the health and support needs of the participants. No stay will exceed four months. Hennepin County will be responsible for identifying housing assistance once the participant completes their temporary stay.

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

Update

MPHA implemented this program on January 2, 2014 when the contract with Hennepin County was signed. The first participant moved in on August 15, 2014. She had multiple health issues. The second client moved in on October 8, 2014. Hennepin County estimates a cost savings of $22,410 for county medical services by providing this post-hospitalization housing opportunity. MPHA expects that as more Hennepin County hospital staff are aware of this program, the number of clients will increase.

Anticipated Impacts

The anticipated impact of this proposal is that 20 – 35 extremely vulnerable persons who need transitional housing with services will be provided safe and decent temporary housing and supportive services that will lessen the likelihood of re-hospitalization save thousands of dollars in medical expenses. This number consists of the estimated number of persons who will occupy the eight units over a one year period.

Metrics, Baselines and Benchmarks

- **Baseline:**
  - This is a new program and there are no current participants
  - Hennepin County estimates that there are over 100 persons annually who could possibly benefit from this initiative.
  - Estimated Hennepin County hospital cost for 48 persons for ten day average = $288,000.

- **Benchmarks:**
  - This program will serve up to 48 persons in the first year of operation
    Estimated cost savings for 48 participants for ten day average including operational costs of demonstration = $110,000.
  - Receive higher than average rent for each of these eight units.

Data Collection & Metrics:

CE #5: Increase in Agency Rental Revenue				
Unit of Measurement	**Baseline**	**Yearly Benchmark**	**Outcome**	**Benchmark Achieved?**
Rental revenue in dollars (increase).	Rental revenue prior to implementation of the activity - $24,000	Expected rental revenue after implementation of the activity - $51,360.	$32,064	No

HC #7: Households Assisted by Services that Increase Housing Choice				
Unit of Measurement	**Baseline**	**Yearly Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households receiving services aimed to increase housing choice (increase).	0. This is a new program.	48 participants.	2	No

FY2012 Activity 1: Biennial Housing Quality Standards Inspections for Multifamily Complexes (Approved and Implemented in 2012)

Description of Activity

The HCV Program modified its annual inspection process to allow for biennial 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.

MPHA inspects 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 Administrative Plan. Owners have the same time period to cure defects as under current regulations (24 hours for life-threatening conditions and 30 days for other defects).

In 2014, there were 986 Self-Certi9fied Inspections of multifamily units through this initiative, directly saving 493 hours of staff time.

Challenges

2014 was the third year of this activity, properties in the first batch were offered the opportunity to complete Self-Certified Inspections and properties in the second batch were inspected in-person by an MPHA inspector. The first batch consists of the properties whose owners self-certified their HQS compliance in 2012. Last year we realized that the second batch was smaller than the initial batch because when we rolled out the program initially, we invited our largest apartment complexes to participate first. Therefore, in 2014 there were more SCI's than 2013 and subsequently more hours were saved by the agency. However, even though MPHA conducted more SCI's, we did not reach our benchmark. Since we did not go forward with the planned software conversion that was mentioned in the 2013 report, we are now exploring how to track SCI's more effectively in our current database. Many owners opted out of participating in SCI's and requested in-person annual inspections instead. Moving forward we are continuing to improve how we administer SCI's to encourage more participation from property owners and to make both batches more evenly distributed.

Revisions to Metrics, Baselines, and Benchmarks

The baselines and benchmarks have been adjusted to conform to the Standard HUD Metrics.

Data Collection Methods
MPHA collected data on inspections from its VisualHomes database system for this MTW activity. No changes have been made to the data collection methodology.

Authorizations: 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).

CE #1: Agency Cost Savings				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Total cost of staff hours dedicated towards annual inspections.	$33,714 dollars were allocated in 2014 for inspectors conducting annual inspections.	$20,520 was the expected cost of conducting annual inspections.	$29,569 was the total cost of conducting annual inspections and re-inspections.	No

CE #2: Staff Time Savings				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Total time to complete the task in staff hours (decrease).	Total amount of staff time dedicated to the task prior to implementation of the activity (in hours).	Expected amount of total staff time dedicated to the task after implementation of the activity (in hours).	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours).	Whether the outcome meets or exceeds the benchmark.
It takes 30 minutes of staff time to complete an in-person annual inspection and 15 minutes of staff time to complete an in-person annual re-inspection.	1,643 hours of staff time were dedicated to annual inspections and re-inspections of multifamily complexes.[1]	1,000 hours of staff time will be dedicated to annual inspections and re-inspections of multifamily complexes.	1,459 hours of staff time were dedicated to annual inspections and re-inspections of multi-family complexes.[2]	Whether the outcome meets or exceeds the benchmark.

Currently the tracking and scheduling of self-certified inspections is a manual process that is prone to error. MPHA is developing a streamlined technology based process of tracking self-certified inspections moving forward. Additionally, not all property owners that qualified for self-certified inspections participated in this MTW initiative.

[1] 2,554 in-person annual inspections and 653 in-person re-inspections of multifamily complexes were conducted in 2014.
[2] 2,562 in-person annual inspections and 714 in-person re-inspections of multifamily complexes were conducted in 2013.

FY2012 - Activity 2: Earned Income Disallowance Simplification - HCV Program (Approved and Implemented in 2012)

Description of Activity

In the Housing Choice Voucher Program, Federal Regulations allow families whose Head of households are disabled a full income disregard for one year and a 50% disregard for the second year. As families move in and out of employment, the disregard is postponed; the monitoring is time consuming and creates administrative hardships that are prone to errors. MPHA has created a two-year full income disregard for eligible families and eliminated the administrative hardship and time consuming monitoring.

*****CE #1: Agency Cost Savings***				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Total cost of task in dollars (decrease).	TBD	TBD	TBD	TBD

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

*****CE #3: Decrease in Error Rate of Task Execution***				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Average error rate in completing a task as a percentage (decrease).	TBD	TBD	TBD	TBD

*****CE #5: Increase in Agency Rental Revenue***				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Rental revenue in dollars (increase).	TBD	TBD	TBD	TBD

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

SS #3 : Increase in Positive Outcomes in Employment Status				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Report the following information separately for each category:	Head of households with earned income prior to implementation of the activity (number). This number may be zero.	Expected head(s) of households with earned income after implementation of the activity (number).	Actual head(s) of households with earned income after implementation of the activity (number)	Whether the outcome meets or exceeds the benchmark.
(6) Other - With Earned Income	23	26	29	Yes

All EID recipients are disabled, so they are not considered work-able and thus EID households as a percentage of work-able households cannot be calculated.

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

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

** MPHA has added this metric, however as this metric was added to the 2015 MTW Plan it has not been used in previous annual plans or reports and the information is not currently available, MPHA will begin tracking this metric in 2015.

Challenges
No challenges have been experienced in enrolling families in EID.

Revisions to Metrics, Baselines, and Benchmarks
The baselines and benchmarks have been adjusted to conform to the Standard HUD Metrics.

Data Collection Methods
MPHA collected data on inspections from its VisualHomes database system for this MTW activity. No changes have been made to the data collection methodology.

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

FY2011 - Activity 1: Targeted Project Base Initiative (Approved in 2011 and phased in implementation with last two projects to be implemented in 2014)

Description of the Activity

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. MPHA used the MTW waiver to expand location of PBV programs and to limit voucher awards relative to a proration impact that required creation of additional non-PBV affordable housing.

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

MPHA awarded vouchers under this initiative in early 2012. All voucher awards are subject to HUD subsidy layering requirements and the specific Targeted Project Base Initiative benchmarks. This initiative will be complete when all developments are under contract and participants lease up their units.

As part of their agreements with MPHA, all families seeking affordable housing will be assisted 'offered services' making appropriate housing choices related to those types of housing offered by the agencies overseeing the development

Impact of the Activity

This activity initially would provide a total of 40 Project Based Vouchers "regular" HCVs and 11 VASH Vouchers. MPHA was committed to provide five (5) housing developers' commitments to create an additional 315 non-project based affordable housing units for low-income families in the City of Minneapolis. However, in 2013 the developer for The Lonoke notified MPHA they were withdrawing their request of four (4) project based units because they determined using other available funding would be more advantageous to their project. Upon full implementation of this activity, MPHA will have provided 36 Project Based Vouchers "regular" HCVs and 11 VASH vouchers, which will allow the housing developers to create an additional 307 non-project based affordable housing units for low-income families in the City of Minneapolis. In 2014, MPHA clarified that Lonoke developer did not withdraw the four vouchers and MPHA thus restored the allocation.

Status of the Activity

MPHA’s targeted project based initiative created a total of 307 units, which, includes the 36 PBV units. The total number of units without housing assistance that MPHA leveraged using the 36 project based vouchers is 260. MPHA has not allocated any funding for the development of the units; the monies MPHA allocated are for voucher assistance when a qualified participant is residing in the PBV unit.

Project	Total Number of Units	PBV Units	Unassisted Units
Emanuel Housing	101	6	84* (also has 11 VASH PBV)
Emerson North Family Housing	48	10	38
South Quarter Phase IV	101	15	86
Spirit on Lake	46	5	41
Lonoke	19	4	15

At the end of the 2013 calendar year, MPHA had approved subsidy layering reviews and signed HAP contracts for two of the awarded projects. The projects are Emanuel (6 PBV and 11 VASH PBV) and Spirit on lake (5 PDV). The Emanuel PBV HAP that was signed on August 13, 2013 has an effective date of August 15, 2013 and the Emanuel VASH HAP that was signed on August 15, 2013 also has an effective date of August 15, 2013. The Spirit on Lake PBV HAP was effective September 15, 2013 and signed on September 12, 2013. At the end of 2014, MPHA had an approved subsidy layering review and an AHAP that was signed on September 11, 2014 for Lonoke. Also, MPHA had submitted the subsidy layering review and was awaiting final approval for South Quarter aka Franklin Portland Gateway Phase IV.

A challenge is that the remaining project (Emerson North Family Housing) has not yet submitted the subsidy layering review to MPHA and are in various stages of finalizing funding for development and operating budgets; it is unknown at this time when Subsidy Layering Reviews will be available for MPHA review and submittal to HUD.

Baseline

MPHA established a goal of creating 120 new affordable units beyond the 40 MTW (+ 11 VASH) units subsidized by the Project Based Vouchers. Instead, 307 new affordable units for low income families are going to be created.

Benchmarks

In total, MPHA will issue 40 'Targeted Project Based Vouchers' to these developments. These 40 vouchers will create an additional 307 unassisted affordable housing units in Minneapolis. We have notified Developers and Owners who responded to the RFP of the awards as well as of the requirements for completion of the Subsidy Layering Review. Two Subsidy Layering Reviews are complete along with the two signed HAPs. MPHA anticipates having all HAPs signed by close of MPHA's 2014 Fiscal Year. The baselines and benchmarks have been adjusted to conform to the Standard HUD Metrics

Data Collection Methods

No changes were made to data collection or methodology. Data was collected manually and from MPHA's administrative data system.

Authorization

This provision waives certain provisions of Attachment C Section D 7 b 24C.F.R. 983.51; Section D 7 c; 24C.F.R. 983.57; and Section D 7 d. Section 8(o)(8) of the 1937 Act and 24C.F.R. 982 Subpart I . This provision allows MPHA to differentiate from the project base requirements for determining the award of project base vouchers by developing its own competitive process.

CE #4: Increase in Resources Leveraged				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Amount of funds leveraged in dollars (increase).	MPHA anticipated a per unit cost for PBV units to be $330,000 TDC . For the 36 vouchers awarded baseline dollars are $11,880,000	MPHA required a 3 to 1 ratio and the benchmark of additional leveraged dollars was $35.6 million.	Actual amount leveraged after implementation of the activity (in dollars) = $330,000 x 22 = $7,260,000.00 (Emanuel - 11 VASH, 6 PBV "regular" and Spirit on Lake 5 "regular" PBV)	The outcome does not meet the benchmark. See explanation below.

During 2013, the housing developers of The Lonoke notified MPHA they were withdrawing their request of four (4) Project Based Vouchers because they determined that other available funding would be more advantageous to their project. This decreased the Project Based Vouchers from 40 to 36 and the additional non-project based affordable housing from 315 units to 307 units.

HC #1: Additional Units of Housing Made Available				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household, give that type in this box.	Zero. No housing units of this type existed prior to implementation.	40 project based voucher units and 120 additional affordable tax credit units.	30 "regular" HCV PBV and 11 VASH PBV and 215 additional affordable tax credit units.	The outcome does not meet the benchmark. See explanation below.

The benchmark of forty PBV units has not been achieved in 2014 because one project, Emerson North Family Housing, have not yet submitted subsidy layering review to MPHA.

HC #7: Households Assisted by Services that Increase Housing Choice				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households receiving services aimed to increase housing choice (increase).	Zero. No households receiving this type of service prior to implementation.	144 households will be offered services in making an affordable housing choice.	256 households.	The outcome meets the benchmark. See explanation below.

The benchmark of 144 households has been exceeded in 2014. We expect to further exceed this benchmark with the one additional project, Emerson North Family Housing, which has not yet submitted subsidy layering reviews to MPHA. Also, the Lonoke and South Quarter aka Franklin Portland Gateway Phase IV are not yet available for occupancy.

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

Status of Activity
This initiative was approved in 2011 and implemented in 2013. MPHA's partner for this initiative, Alliance Housing, rehabbed 20 units for use in this initiative and all of them passed HQS inspections. The first families entered the program in April 2013 and by the end of the year 20 families were assisted.

Description of Activity
In traditional housing assistance programs, whenever a participant increases their income by getting a job, their rent portion increases. The goal of this initiative is to reverse that relationship so that when a participant starts working or attending job training their rent portion actually decreases – as much as $300 a month. In this way this initiative is structured to incentivize work, and the subsidy amount that MPHA provides increases for households that are working. Alliance Housing expects each participating family to commit to moving off government assistance and into the workforce. To this end, Alliance Housing is providing intensive weekly coaching on setting and achieving goals. The participating families come from multi-generational poverty, with poor rental histories and little to no work experience, so the support provided by Alliance staff is crucial.

Once participants start working, Alliance staff work with them on furthering their education or training so they can move beyond entry level jobs. Some participants are pursuing GEDs. Two-thirds of the participants have high school diplomas, so Alliance is identifying those who may need remedial classes in order to enter a program at a community or technical college. The families that moved into the units that opened in 2013 are all making progress on at least one goal. Despite the tough job market, almost all of the families are employed.

Because this is a soft subsidy initiative, MPHA provides subsidy payments to Alliance Housing twice a year out of MTW flexible funds. Therefore, this program has not reduced the number of HCV vouchers in use. MPHA will oversee the administration of the subsidy payments and program activity through requiring twice per year reports from Alliance Housing.

SS #1: Increase in Household Income				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Average earned income of households affected by this policy in dollars (increase).	0	$13,195	$16,146	Yes

SS #3: Increase in Positive Outcomes in Employment Status				
Report the Baseline, Benchmark and Outcome data for each type of employment status for those head(s) of households affected by the self-sufficiency activity.				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
(1) Employed Full- Time	0	6	6	Yes
(2) Employed Part- Time	0	6	15	Yes
(3) Enrolled in an Educational Program	0	2	1	No
(4) Enrolled in Job Training Program	0	5	1	No
(5) Unemployed	0	0	6	No
(6) Other: Percentage of Households with Earned Income	0	75%	95%	Yes

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households receiving TANF cash assistance (decrease).	15	5	3	Yes

SS #5: Households Assisted by Services that Increase Self Sufficiency				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households receiving services aimed to increase self-sufficiency (increase)	0	20	20	Yes

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

This metric is not applicable to the Soft Subsidy initiative because the subsidy amounts are in a fixed range of up to $500 and nothing about this initiative is intended to decrease that fixed range.

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households transitioned to self sufficiency (increase). Self Sufficiency is defined as the participant is off of government financial assistance.	0	2	6	Yes.

Challenges

This is a five-year initiative currently in its first year, and the families were only receiving services for part of 2013. Many of the benchmarks were intended to be achieved at the end of five years.

Revisions to Metrics, Baselines, and Benchmarks

The baselines and benchmarks have been adjusted to conform to the Standard HUD Metrics.

Data Collection Methods

Alliance Housing will interview families at the time of move-in and collect data for the metrics listed above. Alliance Housing will continually monitor progress with individual families. This will include:

- examining pay stubs and work verifications to document employment
- obtaining monthly benefit figures from Hennepin County
- obtaining school certificates to document completion of GED or post secondary training
- tracking progress on additional tenant goals agreed upon through service plan
- tracking progress in education for children, including requesting copies of report cards with grades and number of absences

Authorizations: This authorization waives certain provisions of Attachment C Section B 2 Partnerships with For and Non-profit entities including certain provisions of Section 13 and 35 of the 1937 Act and 24 CFR 941 subpart f and Attachment C section D 1, 2a, 2b, 2d, 3a, 3b, and 4 including Sections 8(o)(1),(2), (3),(7)(a), (10), (13)(G), (H)-(I)of the 1937 Act and 24 C.F.R. 982.303, 308, 309, 451, 503, 508 and 518 and 983 subparts E and F as necessary to implement the Agency's Annual MTW Plan and utilizes the authority allowed in the amendment to Attachment D approved by HUD in late 2011. This provision allows MPHA to create affordable housing opportunities outside of Section 8 and Section 9 of the Act. It also permits the agency to fund subsidies based on a flat calculation as agreed between the property owner and MPHA.

FY2011 - Activity 3 Absence from Unit Initiative (Approved and Implemented in 2011)

Status of the Activity

This activity was fully implemented in June of 2011 for Low Income Public Housing residents. Even though in previous Plans this activity included Section 8 participants, this activity was never fully implemented in the Section 8 HCV Program. The policy about limiting absences from the unit to 90 days was implemented as a change to the Section 8 HCV Administrative Plan.

Description of the Activity

The absence from unit Initiative continues the rent obligation for tenants whose income is temporarily reduced during an absence from the unit for more than 30 days. Under this initiative, tenants who temporarily lose income are required to pay rent as if the income continued. Tenant's may request a hardship in which case the rent would be reduced to minimum during their absence, but repay the difference between the original rent and minimum over a 12-month period.

Impact of the Activity

MPHA has experienced a marked reduction in tenants reporting an absence from the unit and a reduction of income during the absence. In 2012, 56 residents had requested a hardship exemption and signed repayment agreements; in 2013, 58 residents reported being away from their unit for more than 30 days and 44 of them requested a hardship to pay minimum rent in 2014, 65 residents reported being away from their unit and 54 of them requested a hardship while they were gone and signed a repayment agreement for the difference. Tenants who have the means to pay the rent while they are gone, even though they experience a reduction in income appear not to be reporting their absence even though the lease contains this reporting requirement.

Far fewer tenants are reporting an absence from the unit although anecdotally staff believes that as many residents are spending long periods away from the unit.

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The baseline for this activity prior to implementation

- 100 tenants per year requested a reduction in rent during an absence from the unit.
- No tenant was required to enter into a repayment agreement.
- No resident requested a hardship exemption.

Benchmark

- 100 tenants inform MPHA of an absence from the unit
- 60 tenants request a hardship during an absence from the unit
- 60 tenants sign a repayment agreement
- 40 tenants pay calculated rent even though they experience a reduction of income during an absence from the unit

The baselines and benchmarks have been adjusted to conform to the Standard HUD Metrics and data collection methods remained the same.

Authorizations: MTW Amended and Restated Agreement – Attachment C [C11 – Authorizations related to public housing only - Rent Policies and Term Limits] waives certain provisions of Sections 3, 6, 7, 16 and 31 of the 1937 Act and 24 C.F.R. § 945 Subpart C, 960 Subparts B, D, E and G as necessary to implement the Agency's Annual MTW Plan. This provision allows MPHA to limit a tenant's absence from the unit below the current allowance and also allows the agency to impute a tenant's income if it was lost due to the tenant's voluntary absence from the unit.

CE #5: Increase in Agency Rental Revenue				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Rental revenue in dollars (increase).	Rental revenue prior to implementation of the activity $11,250	Expected rental revenue after implementation of the activity $32,550	Actual rental revenue after implementation of the activity (in dollars) = $34,089	The outcome meets the benchmark.

FY2010 - Activity 1 Public Housing Working Family Incentive (Approved and Implemented in 2011)

Status of the Activity
MPHA implemented the Working Family Incentive with annual or interim rent redeterminations after January 1, 2010 in an effort to increase the income and asset level of any adult member who is employed.

Description of the Activity
The rent calculation includes an automatic fifteen (15) percent deduction from the gross annual earned income of 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 estimated that 21.1% of public housing residents met the criteria of a Working Family. Working Family is defined as any family where earned income is part of the rent calculation no matter the amount.

Impact of the Activity
MPHA had better results with this initiative during 2014. The average income of those employed increased, while, and the number of households employed increased. At the end of 2014, there were 1,387 public housing households with earned income, an increase of 42.8 over 2013, while the average earned income of those households increased to$20, 787. MPHA had no requests for hardship under this initiative in 2014.
For those families who continued work, this activity increased the Working Family's level of income and enhanced the likelihood that the family would achieve a livable wage and move toward self-sufficiency
There is a financial impact on the low-rent program for 2014, because the reduction in Adjusted Gross Income due to the 15% allowance reduces the amount of rent paid; due to a proration in subsidy, MPHA will experience a loss.

Baselines and Benchmarks:
The baseline for this activity prior to policy implementation.:

21% (1,241) of Public Housing was considered working family households.
The average earned income of the 1,241 public housing families is $15,970.

The proposed benchmarks for this activity:

1% (1,253) increase in public housing households with earned income
3% (37) of public housing households experience an increase in annual earned income from previous year [effectiveness of deduction as an incentive to work]
4% ($16,609) increase in average household earned income of public housing working families.

The baselines and benchmarks have been adjusted to conform to the Standard HUD Metrics and data collection methods.

Authorizations: MTW Amended and Restated Agreement – Attachment C [C11 – Authorizations related to public housing only - Rent Policies and Term Limits]; This authorization waives certain provisions of Sections 3, 6, 7, 16 and 31 of the 1937 Act and 24 CFR 945 Subpart C, 960 Subparts B, D, E and G as necessary to implement the Agency's Annual MTW Plan and [D2 – Authorizations related to Section 8 only – Rent Policies and Term Limits] This authorization waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 CFR 982.508, 982.503 and 982.518 as necessary to implement the Agency's Annual MTW Plan. This provision allows MPHA to create an additional adjustment to income (15% reduction in earned income) when determining a tenant's income for participation in both the public housing and Section 8 programs.

This is a rent reform initiative: MPHA has had no requests for hardship exceptions

SS #1: Increase in Household Income				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Average earned income of households affected by this policy in dollars (increase).	Average earned income of households affected by this policy prior to implementation of the activity $15,970.	Expected average earned income of households affected by this policy prior to implementation of the activity $16,609.	Actual average earned income of households affected by this policy prior to implementation (in dollars) = $20,787	The outcome exceeds the benchmark.

SS #3: Increase in Positive Outcomes in Employment Status				
Report the Baseline, Benchmark and Outcome data for each type of employment status for those head(s) of households affected by the self-sufficiency activity.				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Report the following information separately for each category: (6) Other - Households with earned income.	Households with earned income prior to implementation of the activity - 1,241.	Households with earned income after implementation - 1,253	Actual head(s) of households in <<category name>> after implementation of the activity (number) = 1,387	The outcome exceeds the benchmark.
	Percentage of households with earned income prior to implementation - 21%.	Percentage of households with earned income prior to implementation - 22%.	Actual percentage of total work-able households with earned income after implementation of the activity (percent) = 22.6%	The outcome meets the benchmark.

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households receiving TANF assistance (decrease).	Households receiving TANF prior to implementation of the activity - 546	Expected number of households receiving TANF after implementation of the activity - 500	Actual households receiving TANF after implementation of the activity - 349	The outcome exceeds the benchmark.

SS #6: Reducing Per Unit Subsidy Costs for Participating Households				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	Average subsidy per household affected by this policy prior to implementation of the activity (in dollars) = $306.00	Expected average subsidy per household affected by this policy after implementation of the activity (in dollars).	Actual average subsidy per household affected by this policy after implementation of the activity (in dollars) = $261.00	The outcome meets the benchmark.

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

SS #7: Increase in Agency Rental Revenue				
Unit of Measurement	**Baseline (2009)**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
PHA rental revenue in dollars (increase).	PHA rental revenue prior to implementation of the activity (in dollars) = $14,437,400	Expected PHA rental revenue after implementation of the activity - $15,937,400).	Actual PHA rental revenue after implementation of the activity (in dollars) = $18,321,040	The outcome exceeds the benchmark.

While gross rental revenue increased during this period, MPHA also took over utility payments for scattered site residents and the COLA for the 69% of residents who receive SS or SSI income increased over the four years and thus the rent calculation increased.

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households transitioned to self sufficiency (increase). The PHA determined that self-sufficiency for public housing residents whose rent increased to the flat rent amount for their unit.	Households transitioned to self sufficiency (<<PHA definition of self-sufficiency>>) prior to implementation of the activity (number). This number may be zero. Families paying Flat Rate Rent 2010: 270	Expected households transitioned to self sufficiency (<<PHA definition of self-sufficiency>>) after implementation of the activity (number) = 20 additional families.	Actual households transitioned to self sufficiency (<<PHA definition of self-sufficiency>>) after implementation of the activity (number) = 269	The outcome did not meet the benchmark.

The flat rate rent increased in 2014 which impacted the number of families paying flat rate rent.

SECTION 8/HCV:

MPHA's Section 8 HCV program has incorporated its Minimum Rent Initiative into its 2014 comprehensive Rent Reform Initiative and information regarding this activity is located there.

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

FY2010 - Activity 2 Minimum Rent Initiative for Public Housing Residents (Approved in 2010 and Implemented in 2011)

PUBLIC HOUSING

Status of the Activity:
MPHA implemented the minimum rent increase beginning in January 2011 with each annual or interim rent redetermination. As such, the full impact of the rent increase was phased in over the course of 2011. This initiative was implemented to promote self-sufficiency and increase rental income.

Description of the Activity:
Tenants moving into public housing pay the minimum rent that is in effect at the time of lease up. This initiative increased the minimum rent of existing tenants or Section voucher holders at the first annual or interim re-exam.

Impact of this Activity:
As this initiative was phased in over 2011, the number of families paying minimum rent initially increased significantly from 369 families at the end of 2009 to 837 families at the end of 2011, there was a reduction to 760 at the end of 2012, 726 families at the end of 2013 and 677 families at the end of 2014.In 2012, 45 residents requested a hardship from paying minimum rent, four (4)were denied and 16 of the 45 had a hardship which ended in 2012. In 2013, nineteen (19) requested a Hardship with nine (9) of those securing income by the end of the year. In 2014, 33 residents requested a hardship with 9 securing income by the end of the year.

Baselines and Benchmarks:
The baseline for this activity prior to implementation in December 2009

- 369 or 6.2% of public housing households were paying minimum rent
- 21% of households had earned income
- $14,380,350 annual amount of rental income

Benchmarks:

- 2% reduction in families paying minimum rent
- 1% increase in families receiving earned income
- 1% increase in rental revenue

The percentage of families paying minimum rent decreased by 7A% from 2013 to 2014, and by 23% since the initial increase in 2009.
The baselines and benchmarks have been adjusted to conform to the Standard HUD Metrics

CE #5: Increase in Agency Rental Revenue - Public Housing				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Rental revenue in dollars (increase).	Rental revenue prior to implementation of the activity - $221,400.	Expected rental revenue after implementation of the activity - $325,800.	Actual rental revenue after implementation of the activity (in dollars) = $609,300	The outcome exceeds the benchmark.

<u>SECTION 8/HCV</u>:
MPHA's Section 8 HCV program has incorporated its Minimum Rent Initiative into its 2014 comprehensive Rent Reform Initiative and information regarding this activity is located there.

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

FY2010 - Activity 4 Rent-To-Own Initiative (Approved in 2010 and phased in Implementation 2012-2014)

Status of the Activity
This activity was approved by HUD in MPHA's 2010 Plan. The site based wait list for this activity remains open as there is one unit remaining to be filled.

Description of the Activity
MPHA utilized funds from its ARRA Formula Grant to purchase twenty townhome development units for the creation of a Rent-to-Own Initiative. MPHA's target audience for this initiative is 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. Participants selected will have an opportunity to initially rent and subsequently purchase these units. This activity was initially referred to as 'The BrightKeys' Development; however, the development is legally named Sumner Field Townhomes.

Impact of the Activity
MPHA expanded the application process for presumptively eligible families to include not only families on its public housing and Housing Choice Voucher waiting lists, MPHA and City of Minneapolis employees; but, to all others wishing to apply to a waiting list specifically for this homeownership initiative. Priority would still be given to qualifying MPHA residents, HCV participants, MPHA and City of Minneapolis employees. There were four lease signings in 2013 bringing the total number of occupied units to nineteen (19). Each family had established mortgage readiness goals and must demonstrate progress in moving toward successful homeownership.

Baselines and Benchmarks
Issues related to meeting its initial benchmarks continued in 2014. Issues related to MN Statutes governing condominium associations and Certificates of Title have prevented MPHA from implementing the operational (for sale) components of its Rent To Own Program were resolved in 2014 with the County Registrar correcting title. The court proceeding has delayed the Agency's benchmarks related to selling the property, but not to lease for the Rent To Own Program.

The Benchmarks were revised
The baselines and benchmarks have been adjusted to conform to the Standard HUD Metrics . MPHA changed its initial qualifying income from $20,500 to $25,500. This change was made in consultation with MPHA's homeownership consultant to address changes in lender requirements for qualifying for a mortgage sufficient to purchase the townhomes.

No collection methods have changes and no authorizations have changed.

Authorizations MTW Amended and Restated Agreement – Attachment C[C1 – Site Based Waiting List; C7 a and b – Simplification of the Development and Redevelopment Process for Public Housing . . . "establish reasonable low-income homeownership programs such as Lease-To-Own . . ."This authorization waives certain provisions of Section 6(r) of the 1937 Act and 24CFR 903.7 and certain provisions of Section 6(c) of the 1937 Act and 24 CFR 960.201 as necessary to implement the Agency's Annual MTW Plan. This provision allows MPHA to have a site based waiting list and provides authority to have specialized criteria for participation, as well as to sell the specific units once the participant meets the lender's criteria.

The site based waiting list for this development is currently open and will remain open until all units are sold to program participants.

MPHA has incorporated the new metrics required by the new 50900 Attachment B and are reported on in this 2013 MTW Report.

SS #1: Increase in Household Income				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Average earned income of households affected by this policy in dollars (increase).	Average household income for nineteen participants - $38,444.	2% increase in earned income - $39,212.	$39,387 average income in 2014.	The increase of 2.45% in household income slightly exceeds the benchmark. Two participants moved purchasing homes elsewhere. Otherwise, remaining participants experienced either new job, or job growth with the boost in the economy and the jobless rate dropping to 4.0% in 2014. It is anticipated wages will continue to stabilize or improve as the economy improves.

SS #2: Increase in Household Savings				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Average amount of savings/escrow of households affected by this policy in dollars (increase).	2 households in 2011 4 households in 2012 5 households in 2013	Average amount of annual savings/escrow $997.10	5 households in 2014 savings an average of $1,650 per month.	No, the economy has precluded most from reaching their personal savings goals.

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households transitioned to self sufficiency (increase). MPHA has defined self-sufficiency as income sufficient to purchase a home.	7 households have sufficient income to purchase at time of move in. Debt to income ratio and savings is the issue.	Three households will achieve self-sufficiency (income sufficient to purchase home) within one year.	7 households met the goal of having sufficient income to purchase. One purchased elsewhere, and the remainder continue to work on mortgage readiness goals, i.e. pay off debt and savings.	Yes, the benchmark is achieved for 2014.

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

HC #6: Increase in Homeownership Opportunities				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households that purchased a home as a result of the activity (increase).	7 households have sufficient income to purchase, but not mortgage ready.	One household will purchase home in one year.	3	3 participants purchased homes elsewhere. Benchmark for participants purchasing the townhomes have not been achieved. Remaining househo9lds are working on mortgage readiness goals, i.e., pay off debt and savings.

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

** MPHA has added this metric, however as this metric was added to the 2015 MTW Plan it has not been used in previous annual plans or reports and the information is not currently available, MPHA will begin tracking this metric in 2015.

FY2010 - Activity 5 Foreclosure Stabilization Project Based Voucher Demonstration Program (Approved in 2010 and phased in Implementation through 2012)

Status of Activity

This activity was approved in 2010. Implementation began in May 2011 and was complete by August of 2012 when all 21 units were occupied. There was a 97% occupancy rate in 2014.

Description of Activity

This initiative is a partnership with a local non-profit who purchased and rehabbed 4-plex and 6-plex properties that had gone through foreclosure. MPHA has project-based 21 vouchers at these units in order to make them available for rental to low-income families and to contribute to the well-being of the surrounding neighborhoods. Our non-profit partner, PPL, received a Neighborhood Stabilization Program (NSP) grant from the City of Minneapolis for this initiative to be used in designated 'at risk' neighborhoods throughout the City.

Applicant families are referred to MPHA by PPL, pursuant to funding requirements under the non-profit's CDBG and ARRA funds. Families who are identified to be on MPHA's Section 8 HCV waiting list are prioritized. MPHA's Section 8 HCV waiting list has a 'remains open' clause for specific referrals for this program.

Revisions to Metrics, Baselines, and Benchmarks

The baselines and benchmarks have been adjusted to conform to the Standard HUD Metrics.

Data Collection Methods:

Data was collected from MPHA's VisualHomes database system for this MTW activity.

Authorization:

MTW Amended and Restated Agreement – Attachment C: D Authorizations
related to Section 8 housing choice vouchers only; 7 b and c : These authorizations waive certain provisions of 24CFR 983.51 as necessary to implement the Agency's Annual MTW Plan and Site selection standards set forth in 24CFR Section 1983.57. This provision permits MPHA to issue or extend Section 8 vouchers to families who are in or under threat of foreclosure.

CE #4: Increase in Resources Leveraged				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Amount of funds leveraged in dollars (increase).	$0 leveraged prior to implementation of the activity	$2,554,083 leveraged after implementation of the activity.	$2,554,083	Yes

HC #2: Units of Housing Preserved				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). If units reach a specific type of household, give that type in this box.	Housing units preserved prior to implementation of the activity - 0.	Expected housing units preserved after implementation of the activity - 21.	21	Yes.

FY2009 - Activity 1 Block Grant and Fungible Use of MPHA Resources (Approved and Implemented in 2009)

This activity is addressed in Section V: Sources and Uses of Funding.

HUD does not require this to be reported in the same format as other initiatives. The MTW Sources and Uses provides the detail of the Combined Fund.

Benchmark was achieved as planned.

Data collection methodology has not changed on the how financial information is tracked.

Authorization: Single Fund Budget with Full Flexibility: Provided for in Attachment C Section B (1) which allowed for increased financial flexibility that resulted in a more cost effective use of resources to meet capital improvement needs and increase housing choices and self- sufficiency among participants. This authorization waives certain provisions of Sections 8 and 9 of the 1937 Act and 24C.F.R. 982, and 990 as necessary to implement the Agency's Annual MTW Plan.

FY2009 - Activity 2 Replacement of Low-Rent Annual to Three-Year Certifications (Approved in 2009 and phased in Implementation through 2012)

Status of the Activity

In the 2009 MTW Plan, MPHA proposed to recertify, low rent program elderly, disabled or other residents who were on a fixed income and whose sources of income were not likely to change for extended periods of time, every three years instead of annually. MPHA anticipated this change would save the agency time and allow better utilization of its resources and believes this change also provides a significant benefit to its residents. MPHA has maintained its policy of reporting changes in income.

Impact of the Activity :

MPHA changed its ACOP /Statement of Policies to incorporate this MTW initiative into agency policy. It identified all residents eligible for the MTW exclusion and developed a phase in strategy that recertifies eligible residents over a three-year period. Residents were notified by letter regarding their recertification process. MPHA updated its data systems to reflect the time residents would be recertified and adjusted them to address the every three year recertification process. The MPHA Board approved the changes to MPHA's recertification policies following the resident review process. MPHA has successfully run a report for its 2014 recertification tracking system. (See below)

Scattered Sites

AMP	Building address	2014 3rd Year Anniversary	# of Every Year Anniversary	Total Required w/o MTW Policy	Annuals Not Done Due to MTW	Hours Saved
1	Glendale 1-91	11	55	89	23	
1	Glendale 92-184	10	64	93	19	
2	Project 86 1300-1310	0	9	11	2	
2	Project 38 250-347	9	40	69	20	
2	Project 38 349-444	7	56	79	16	
2	Project 38 445-489	3	28	39	8	
2	Project 39	3	27	37	7	
2	Project 25	1	12	15	2	
2	Project 13 146-242	6	45	66	15	
2	Project 13 2-145	8	53	73	12	
2	Project 53, 58,81	3	11	16	2	
2	Project 48	1	10	11	0	
2	Project 47	4	17	23	2	
2	Project 2,3,5	6	23	40	11	
2	Project 82	4	24	40	12	
2	Project 43 800-903	10	54	76	12	
2	Project 40	3	10	16	3	
2	Project 43 904-934	0	8	8	0	
2	Project 44	3	27	33	3	
2	Project 49, 51, 66,78, 97	5	26	37	6	
2	Project 45	1	18	24	5	

AMP	Building address	2014 3rd Year Anniversary	# of Every Year Anniversary	Total Required w/o MTW Policy	Annuals Not Done Due to MTW	Hours Saved
2	Project 52	0	5	5	0	
2	Project 97 1311-1330	0	19	19	0	
	Totals for s/s AMP	**98**	**641**	**919**	**180**	**135**

Highrises

AMP	Building address	2014 3rd Year Anniversary	# of Every Year Anniversary	Total required w/o MTW Policy	Annuals not done due to MTW	Hours Saved
3	314 Hennepin 201-920	33	46	159	80	
3	314 Hennepin 1001-1620	43	33	137	61	
3	3116 Oliver	8	4	31	19	
3	600 18TH Ave 101E-521E	32	13	113	68	
3	600 18TH Ave 102w-1620w	30	13	112	69	
3	350 Van White	33	5	101	63	
3	315 Lowry	43	44	192	105	
3	2415 N 3rd	15	12	62	35	
3	1710 Plymouth	27	9	84	48	
3	1314 44TH APT 406-638	27	23	108	58	
3	1314 44th Apt 104-405	38	9	109	62	
3	800 5th	18	12	66	36	
3	901 4th Ave N	13	0	48	35	
4	1815 Central 201-1314	47	24	166	95	
4	1815 Central 1401-2514	47	35	162	80	
4	1717 Washington	57	21	181	103	
4	809 Spring st NE	7	14	32	11	
4	1900 3rd	9	8	30	13	
4	1206 2nd	17	16	57	24	
4	828 Spring St NE	55	33	189	101	
4	710 2ND ST NE	9	8	33	16	
4	616 Washington St NE	6	11	34	17	
4	311 University	15	9	47	23	
5	2419 5th	35	33	126	58	
5	2433 5th	20	39	126	67	
5	1707 3rd	50	47	192	95	
5	1700 E 22nd	21	23	89	45	
5	2533 1st	8	5	28	15	
5	1920 4th	23	28	109	58	
5	2121 16th	19	14	68	35	
5	2019 16th	23	26	91	42	
6	1212 S 9th St	20	32	84	32	

AMP	Building address	2014 3rd Year Anniversary	# of Every Year Anniversary	Total required w/o MTW Policy	Annuals not done due to MTW	Hours Saved
6	1225 S 8th st	25	27	86	34	
6	1627 6th	29	26	116	61	
6	1515 Park	40	46	178	92	
6	620 Cedar	30	25	115	60	
6	630 Cedar	47	32	186	107	
6	1611 6th St	34	18	112	60	
7	3755 Snelling	6	10	28	12	
7	3205 E 37th	7	5	28	16	
7	2728 Franklin	46	40	151	65	
7	1415 E 22nd	22	36	109	51	
7	3121 Pillsbury	35	52	163	76	
7	115 W 31st	49	18	163	96	
7	3310 Blaisdell	44	24	164	96	
7	2121 Minnehaha	23	47	109	39	
	Totals for H/R AMP	**1285**	**1055**	**4874**	**2534**	**1901**

The MTW as it relates to every three year annuals has the highest impact on our highrise AMPS. Changing the annuals to every three years for Elderly and Disabled and residents with a stable income has allowed staff to concentrate on their efforts on residents where the rent change will have a greater impact on the rental income for the agency.

MPHA continues to run the EIV's for tenants that are not required to do their annual in the current year.

MPHA starts annual recertifications 90 days prior to the effective date of the annual. All the responses we have received from residents has been positive since implementing the every three year annual process.

In MTW Plan Year 2014, MPHA excluded 2,714 households from having an annual recertification under this initiative. In addition, 1,383 households underwent an annual recertification and will not have to be recertified for three years, unless there is a change of circumstance. There are 1,710 households that do not meet the MTW exclusions and will continue to be recertified on an annual basis. MPHA continues interim re-certifications for any household that is required to be recertified or who requests recertification due to a change in circumstances.

MPHA has saved 2,036 hours of staff time in 2014 specifically related to recertification and significant other time related to setting up appointments, reappointments, following through on verifications and other tasks that are not specifically calculated as part of recertification but are related impacts of this process.

This is a Rent Reform Initiative. MPHA has not received, nor does it expect to receive any hardship requests as MPHA will still conduct interim re-certifications if there is a loss of family income.

The baselines and benchmarks have been adjusted to conform to the Standard HUD Metrics and data collection methods.

Authorizations Initial, Annual and Interim Income Review Process: Provided in Attachment C Section C 4. This Section waives certain provisions of Sections 3(a) (l) and 3 (a) (2) of the 1937 Act and 24 C.F.R. 966.4 and 960.257, as necessary to implement the Agency's Annual MTW Plan. This provision permits MPHA to conduct recertifications every three years which is a change from the current Federal regulation requiring annual recertifications.

CE #1: Agency Cost Savings				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Total cost of task in dollars (decrease).	Cost of task prior to implementation of the activity (in 2014 dollars) = $136,806	Expected cost of task after implementation of the activity (in 2014 dollars) = $104,825	Actual cost of task after implementation of the activity (in 2014 dollars) $73,589	The outcome exceeds the benchmark.

CE #2: Staff Time Savings				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Total time to complete the task in staff hours (decrease).	Total amount of staff time dedicated to the task prior to implementation of the activity - 4,406 hours	Expected amount of total staff time dedicated to the task after implementation of the activity - 3,376 hours	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours) = 2,370.	The outcome substantially meets the benchmark.

*** CE #5: Increase in Agency Rental Revenue*				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Rental revenue in dollars (increase).	Rental revenue prior to implementation of the activity - $14,437,400	Expected rental revenue after implementation of the activity - 1.5% per year; in 2015: $17,756,181.	TBD	TBD

** MPHA has added this metric, however as this metric was added to the 2015 MTW Plan it has not been used in previous annual plans or reports and the information is not currently available, MPHA will begin tracking this metric in 2015.

FY2009 - Activity 4 Public Housing Earned Income Disregard (Approved in 2009 and Implemented in 2010)

Status of the Activity

MPHA revised its Earned Income Disregard (EID) policy in 2009 to allow eligible families to receive a full two year earned income disregard rather than the standard disregard of a full disregard for the first year and a 50% disregard for subsequent years through the 48 month allowance.

Description of the Activity

MPHA changed its ACOP/ Statement of Policies to reflect the agency's MTW strategy for this initiative. MPHA established its implementation date of November 2008. Households receiving an EID prior to that date are governed under the old program rules and households approved for an EID after that date receive the MTW EID. MPHA adapted its data tracking systems to identify and follow households governed by the MTW EID program while continuing to monitor those under the old system.

As this is a rent reform initiative, MPHA's current hardship policy is available to households should a hardship arise. To date, no one has requested a hardship under this provision.

Below is a chart showing MPHA EID program participants pre and post MTW.

Earned Income Disallowance (EID)	MTW 24 Month	Currently Employed
AMP 1	17	15
AMP 2	3	2
AMP 3	6	5
AMP 4	0	0
AMP 5	17	16
AMP 6	18	14
AMP 7	17	17
Totals	**78**	**69**
*****Report indicates active EID's**		

Impact of the Activity

MPHA residents have completed 155 MTW EID's since it was implemented in July 2008. We believe the economy and the higher percentage of elderly and disabled residents has impacted the number of residents on EID's. We hope in future years the impact of EID's will be more substantial once the economy recovers.

MTW EID households who participate in this program have an incentive to work and continue working as the EID is targeted to reward families who maintain their employment for a full two years. This initiative also reduces staff time and mitigates possible errors as the policy implements EID for two full years without having to deal with the on again and off again, cumbersome tracking and communications issues related to the HUD standard 48 month program. Residents report that they are able to follow and understand this program better.

Of the 155 participants who have completed the EID, 89 are still employed, 24 are unemployed, 31 are receiving Social Security income and 47 have vacated. For the 79 that have not completed the full two year disregard, 59 are currently employed, 15 are unemployed.

After a resident completes the two full years at 100% disregard, rent would then be based on the adjusted income. Success would be achieved if the resident has found stable employment, understood the two year disregard and staff was able to conduct quality control reviews and other assignments with the time saved.

The baselines and benchmarks have been adjusted to conform to the Standard HUD Metrics

Authorizations: Rent Policies and Term Limits: Provided in Attachment C Section C 11. This Section waives certain provisions of Sections 3(a)(2) and 3 (a) (3)(A) and Section 6(1) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.632, 5.634 and 960.255 and 966 Subpart A, as necessary to implement the Agency's Annual MTW Plan. This provision provides an alternative method of determining the earned income disregard that is different from the current Federal regulations for earned income disregards.

Families Participating in Earned Income Initiative				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of families (increase)	Total number of families participating in EID prior to implementation - 6	Expected number of families after implementation - 200 over two years	241 over five years.	No

CE #1: Agency Cost Savings				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Total cost of task in dollars (decrease).	Cost of task prior to implementation of the activity (in 2014 dollars) = $1,863	Expected cost of task after implementation of the activity (in dollars) = $12,420 (100 per year)	Actual cost of task after implementation of the activity (in dollars) = $9,812	The outcome meets the benchmark.

CE #2: Staff Time Savings				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Total time to complete the task in staff hours (decrease).	Total amount of staff time dedicated to the task prior to implementation of the activity (in hours) = 10 hours per EID	Expected amount of total staff time dedicated to the task after implementation of the activity (in hours) = 4 hours per EID	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours) 4 hours per EID	The outcome meets the benchmark.

CE #3: Decrease in Error Rate of Task Execution				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Average error rate in completing a task as a percentage (decrease).	Average error rate of task prior to implementation of the activity (percentage) 50%	Expected average error rate of task after implementation of the activity (percentage) - 0%	Actual average error rate of task after implementation of the activity (percentage) = 0%	The outcome meets the benchmark.

*** CE #5: Increase in Agency Rental Revenue*				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Rental revenue in dollars (increase).	Rental revenue prior to implementation of the activity - $14,437,400	Expected rental revenue after implementation of the activity - 1.5% per year; in 2015: $17,756,181	TBD	TBD

SS #1: Increase in Household Income				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Average earned income of households affected by this policy in dollars (increase).	Average earned income of households affected by this policy prior to implementation of the activity (in dollars) = $0.00	Expected average earned income of households affected by this policy prior to implementation of the activity (in dollars) = $7,540.00	Actual average earned income of households affected by this policy after implementation (in dollars) = $16,043	The outcome exceeds the benchmark.

SS #3: Increase in Positive Outcomes in Employment Status				
Report the Baseline, Benchmark and Outcome data for each type of employment status for those head(s) of households affected by the self-sufficiency activity.				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Report the following information separately for each category: (6) Other - Employed full or part-time.	Head(s) of households employed prior to implementation of the activity (number). = 1	Expected head(s) of households employed after implementation of the activity (number) = 200	Actual head(s) of households employed after implementation of the activity (number) = 116	The outcome does not meet the benchmark.

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

** MPHA has added this metric, however as this metric was added to the 2015 MTW Plan it has not been used in previous annual plans or reports and the information is not currently available, MPHA will begin tracking this metric in 2015.

SS #6: Reducing Per Unit Subsidy Costs for Participating Households				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	Average subsidy per household affected by this policy prior to implementation of the activity (in dollars) = $279.00	Expected average subsidy per household affected by this policy after implementation of the activity (in dollars).	Actual average subsidy per household affected by this policy after implementation of the activity (in dollars) = $261.00	N/A

While this metric was required by HUD, it does not provide valid information because of the significant change in subsidy proration and the fact that subsidy is provided by AMP, not individual tenant.

SS #7: Increase in Agency Rental Revenue				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
PHA rental revenue in dollars (increase).	PHA rental revenue prior to implementation of the activity (in dollars) = $14,437,400	Expected PHA rental revenue after implementation of the activity (in dollars) = $15,937,400	Actual PHA rental revenue after implementation of the activity (in dollars) = $18,321,040	The outcome exceeds the benchmark.

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households transitioned to self sufficiency (increase). The PHA may create one or more definitions for "self sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided. Currently Employed.	Households employed prior to implementation of the activity (number). = 0	Expected households employed after implementation of the activity (number) = 50	Actual households t employed after implementation of the activity (number) = 148	The outcome exceeds the benchmark.

FY2009 - Activity 6 Section 8 HCV Mobility Voucher Program (Approved in 2009 and Implemented in 2010)

Description of Activity

MPHA created a Mobility Voucher program to encourage low-income families to move to 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 de-concentrating families who live in poverty. The program was structured to increase housing choices for families on the MPHA Section 8 HCV Waiting List and current program participants who lived in areas concentrated by poverty and who were willing to move into non-concentrated areas. MPHA has created an appendix to its Section 8 Administrative Plan that details the specific elements of this initiative.

The HCV Program continues to encourage all families to locate and obtain housing in communities of greater opportunity. Effective February, 2014 MPHA began the process to screen applicants of our 2008 Waiting List for issuance of the Mobility Voucher. Eligibility criteria is as follows: applicants must be currently living in a Minneapolis area impacted by race and poverty, have minor children, be employed, in job training or in school, and be willing to move to a non-impacted area for a minimum of three years.

Also in 2014, we expanded housing search opportunities under the Mobility Program by allowing participant families to lease a unit outside of the City of Minneapolis. Families who wish to port out of Minneapolis will only be approved to do so if the unit is located in an area that is not impacted by race and poverty. Families who lease in another Metro Area Housing authority's jurisdiction must continue with MPHA case management services to remain eligible for the Mobility Program. Mobility families who port out to another jurisdiction cannot be absorbed during the 3 years they are under the Contract of Participation.

The Mobility Community Services Coordinator will continue to provide the Mobility families with case management services, referrals to community resources and employment/educational opportunities, as well as act as the liaison between the tenant family and the property owner.

We will continue to select eligible applicants from our Waiting List for admission to the Mobility Voucher Program.

The HCV Program will continue to encourage all families to locate and obtain housing in communities of greater opportunity.

HC #5: Increase in Resident Mobility				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity	0	25	34	Yes

HC #7: Households Assisted by Services that Increase Housing Choice				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households receiving services aimed to increase housing choice	0	25	34	Yes

Challenges
Budget constraints limited the expansion of the Mobility Voucher program, however, the program remains intact and participating families are successfully housed in neighborhoods of opportunity.

Revisions to Metrics, Baselines, and Benchmarks
The baselines and benchmarks have been adjusted to conform to the Standard HUD Metrics.

Data Collection Methods
Data was collected from MPHA's VisualHomes database system for this MTW activity.

Authorization: Waiting List Policies: Provided in Attachment C Section D 4. This Section waives certain provisions of Sections 8(o)(6,8(o)(13) (J) and 8 (o) (16) of the 1937 Act and 24 C.F.R. 982
Subpart E, 982.305 and 983 Subpart F, as necessary to implement the Agency's Annual MTW Plan.
This provision permits MPHA to give preferences to families on its Section 8 waiting list that allows them to move to the top of the list and allows MPHA to put restrictions on the use of the voucher that requires participants to find housing in non-concentrated areas.

B. NOT YET IMPLEMENTED ACTITIVIES

FY 2013 Activity 2: Alternate Income Verifications (Approved in 2013)

Description

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

These clients often come from a situation where the person may be homeless, has no family etc. many times they cannot find or access verifications of income or assets or because of physical or mental state cannot access this information timely.

MPHA believes that if an applicant is eligible and has income information, such as SSI income with another unit of government, e.g. State/County Medicaid, Food Stamp program etc. that clearly demonstrates eligibility for public housing, MPHA should be able to utilize this information to sign a lease and move the tenant into housing. If there is a small discrepancy in actual income, for example an increase in SSI or SSA since the county last verified income, that can be taken care of with a correction, in the same manner as a mistake in rent calculation.

This initiative went into effect in January of 2013 and due to low turnover in this program, MPHA is revising its benchmarks to reflect the most likely utilization.

Anticipated Impacts

The primary purpose of this activity is to enable low-income persons in need of assisted living to receive housing with services that would not be available to them with the current regulatory requirements for verification of income in public housing. This activity will permit extremely vulnerable persons who are in desperate need of both public housing and Assisted Living and/or Housing with Services to be admitted to public housing without delay. It will also support service providers with continuity of placement that will allow them to meet their operations costs that are continually threatened by program vacancies. It is a win for potential residents, MPHA and Assisted Living/Housing with Services providers.

Baseline and Benchmarks

Baseline: Zero – MPHA is currently unable to use alternate income verifications.

Benchmarks: Five (5) admissions per year utilizing alternate income verifications. MPHA has seven Assisted Living and Housing with Services programs that are licensed to provide care for those at a vulnerability level where delays in placement would threaten their ability to be housed in these programs. The baselines and benchmarks have been adjusted to conform to the Standard HUD Metrics.

Data Collection & Metrics

MPHA and Assisted Living service providers will collaborate in identifying resident/participants, on gathering the alternate income verifications and documenting assignment of units and simultaneous admittance into the Assisted Living program.

MPHA will track the start date of the application verification process to the approval date for all highrise assisted living applicants and compare that time period to the start date of the application verification process to the approval date for those highrise assisted living applicants where MPHA utilized the alternative income verification.

HC #7: Households Assisted by Services that Increase Housing Choice				
Unit of Measurement	**Baseline**	**Benchmark**	**Outcome**	**Benchmark Achieved?**
Number of households receiving services aimed to increase housing choice (increase).	Zero. At the time of adoption, MPHA was unable to use income verifications.	Five per year.	Zero (0)	The outcome did not meet the benchmark. Due to low vacancy, MPHA does not have available units for those with immediate need. Applicants who are on the waiting list for a unit have been able to provide required information without this initiative.

FY2010 Activity 3 - Conversion of 312 Mixed Financed Public Housing Units to Project Based Section 8 (Approved in 2010)

Status of the Activity

MPHA continues to work on this initiative. It has undertaken negotiations with HUD regarding using a combination of negotiated agreements, MTW authority waivers and other HUD waivers to develop a Transforming rental Assistance (TRA) demonstration program. MPHA has applied to the RAD Demonstration for conversion of the 200 mixed financed units at Heritage Park. It appears the MPHA proposal was not in the first 60,000 units to be approved by HUD, but the agency has been informed that HUD is seeking Congressional approval for an increase in the number of RAD Conversions and that PHAs who have applications in will be considered for future approvals. In 2014, MPHA received a provisionary approval from HUD for RAD pending Congressional action to increase the RAD unit count. MPHA's Board also approved a Voluntary Conversion application to HUD for Heritage Park. In 2014, Congress did increase the RAD unit allowance to 185,000 for FY2015 and MPHA has received a CHAP for Heritage Park and will be amending its 2015 MTW Plan to move this from Not Yet Implemented to Approved activities for Heritage Park only

Description of the Activity

MPHA intended to use 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 new Section 8 Housing Choice Vouchers and then project base these units in the same mixed-finance development.

Impact of the Activity

MPHA anticipated this initiative would significantly reduce its administrative burden and families housed in the new project based units would have access to a Housing Choice Voucher after one year of residency and would be able to increase their housing choices.

Baseline and Benchmarks

The baseline for this activity was 96 hours of MPHA staff time and associated costs in administering units as public housing. The benchmark was to decrease MPHA staff time to 30 hours per week and proportional decrease in associated costs.

There were no revisions to baselines, benchmarks or data collection methods during the plan year.

Authorizations: MTW Amended and Restated Agreement – Attachment D [B1] Attachment C [D Authorizations related to Section 8 housing choice vouchers only/ 2. Rent Policies and Term Limits, and 7. Establishment of an Agency MTW Section 8 Project-Based Program] This authorization waives certain provisions of Sections 3, 6, 7, 16 and 31 of the 1937 Act and 24 CFR 945 Subpart C, 960 Subparts B, D, E and G as necessary to implement the Agency's Annual MTW Plan and [D2 – Authorizations related to Section 8 only – Rent Policies and Term Limits] This authorization waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 CFR 982.508, 982.503 and 982.518 as necessary to implement the Agency's Annual MTW Plan. This provision allows MPHA to pursue a project base-like initiative for its mixed finance public housing units using authority permitted under Attachment D and to allocate public housing dollars as if they were project based Section 8.

C. ACTIVITIES ON HOLD

MPHA has no activities on hold at this time.

D. CLOSED OUT ACTIVITIES

FY2009 - Activity 3 - Combine MPHA's Current Homeownership Programs into a Single MTW Initiative with a Foreclosure Prevention Component

MPHA discontinued this initiative in 2012 due to funding shortfalls. Program was successfully closed out.

With the phase-out of MPHA's Homeownership Made Easy (HOME) program in June of 2012, two families received homeowner education and mortgage readiness counseling in 2012. Of these, one family closed on their home in Northeast Minneapolis on June 29, 2012.
No families were assisted through the Moving Home program.

No families were referred by Twin Cities Habitat for Humanity or Neighborhood Housing Services of Minneapolis for the Section 8 Mortgage Foreclosure Prevention Program.

FY2009 - Activity 5 - Implement a New Public Housing Self-Sufficiency Program

Status of the Activity
MPHA discontinued this program in 2012 due to federal funding cutbacks in its housing programs. This program was developed to support MPHA's homeownership initiatives which were also discontinue in 2012.

Authorizations: Authorizations related to Self Sufficiency: Provided in Attachment C Section E. This Section waives certain provisions of Sections 23 of the 1937 Act and 24 C.F.R.984, as necessary to implement the Agency's Annual MTW Plan. This authorization permits the agency to create a specialized FSS Program with different criteria than that is required by FSS regulations.

SECTION V: Sources and Uses of Funds

A. MTW Report: Sources and Uses of Funds

Actual Sources and Uses of MTW Funding for the Fiscal Year
PHAs shall submit their unaudited and audited information in the prescribed FDS format through the Financial Assessment System - PHA (FASPHA), or its successor system.

Describe the Activities that Used Only MTW Single Fund Flexibility
The funding assigned to these areas are targeted to the respective budgets and incorporated into general areas of the budget and assigned as part of the overall budget allocations, not to a specific function of the budget.

V.4 Report. Local Asset Management Plan

B. MTW Report: Local Asset Management Plan		
Has the PHA allocated costs within statute during the plan year?	**Yes**	
Has the PHA implemented a local asset management plan (LAMP)?		**No**
If the PHA is implementing a LAMP, it shall be described in an appendix year every year beginning with the year it is proposed and approved. It shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.		
Has the PHA provided a LAMP in the appendix?		**No**
In the body of the Report, PHAs should provide a narrative updating the progress of implementing and operating the Local Asset Management Plan during the fiscal year.		

V.5. Report. Unspent MTW Funds - This section is not required until HUD provides guidance.

C. MTW Report: Commitment of Unspent Funds			
In the table below, provide planned commitments or obligations of unspent MTW funds at the end of the PHA's fiscal year.			
Account	**Planned Expenditure**	**Obligated Funds**	**Committed Funds**
Type	Description	$X	$X
Type	Description	$X	$X
Type	Description	$X	$X
Type	Description	$X	$X
Type	Description	$X	$X
Type	Description	$X	$X
Type	Description	$X	$X
Type	Description	$X	$X
	Total Obligated or Committed Funds:	**0**	**0**
In the body of the Report, PHAs shall provide, in as much detail as possible, an explanation of plans for future uses of unspent funds, including what funds have been obligated or committed to specific projects.			
Note: *Written notice of a definition of MTW reserves will be forthcoming. Until HUD issues a methodology for defining reserves, including a definition of obligations and commitments, MTW agencies are not required to complete this section.*			

SECTION VI: Administrative

A. General description of any HUD reviews, audits or physical inspection issues that require the agency to take action to address the issue;

MPHA was not found to have any deficiencies or ordered to make other corrections.

B. Results of latest PHA-directed evaluations of the demonstration, as applicable; and

MPHA's MTW Initiatives did not call for specific evaluations for the 2014 Plan Year.

C. MPHA Agency Certification

MPHA has signed a certification pursuant to the requirements of the Amended and Restated Moving to Work Agreement - Attachment I.

Attachment I

Certifications of Compliance

Office of Public and Indian Housing

Certifications of Compliance with Regulations: Resolution to Accompany the Annual Moving to Work Report

Acting on behalf of the Public Housing Agency (PHA) listed below, as its authorized PHA official, I approve the submission of the Annual Moving to Work Report for the PHA fiscal year ending December 31, 2014, hereinafter referred to as "the Report", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Report and implementation thereof:

The Agency has met the three statutory requirements of: 1) assuring that at least 75 percent of the families assisted by the Agency are very low-income families; 2) continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined; 3) maintaining a comparable mix of families (by family size) are served as would have been provided had the amounts not been used under the demonstration.

Minneapolis Public Housing Authority
PHA Name

MN002
PHA Number/HA Code

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

Cora McCorvey
Name of Authorized Official

Executive Director/CEO
Title

Signature

March 27, 2015
Date