



MOVING TO WORK ANNUAL REPORT FY2015

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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 2015 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 and addressing the continuing and burdensome and bureaucratic demands made on our programs.

MPHA amended its 2015 MTW Plan because it was a successful applicant in the Rental Assistance Demonstration (RAD). As a result, MPHA will be converting its 200-unit AMP 8 Heritage Park project (owned by Basset Creek Partners, L.P; Sumner Field Partners, L.P; Sumner Field Phase II, L.P.; and Heritage Park Partners, L.P) to Project-Based Rental Assistance under the guidelines of PIH Notice 2012-32, REV 2 and any successor Notices. In March of 2015, MPHA received a CHAP for HUD supporting conversion of AMP 9 to PBRA under the RAD Program. This approval also included a portfolio approval for MPHA’s Glendale Family Development. As no MTW authority is to be utilized in the RAD conversion, there is no new MTW initiative for 2015.

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. MPHA also applied for and subsequently received a \$1.2 million State of Minnesota Publically Owned Housing Program GO Bond grant, which will help fund comprehensive building modernization at its 620 Cedar Avenue highrise. MPHA applied for HUD’s Emergency Security and Safety Grant and, while MPHA met the criteria for the HUD ESS Program, it was not selected in the lottery. In 2015, MPHA conducted a comprehensive review of MPHA’s 184 unit Glendale family townhome development. This review has extended into 2016. At this time, no decision on the future of Glendale will be made in FY2016. MPHA has decided not to submit a RAD application for this development.

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 submitted a proposal to the City of Minneapolis to acquire a one-acre parcel in which it would develop 16 public housing units in accordance with the Families Out of Shelter Initiative. MPHA received recommendation from City staff to

acquire this parcel with final approval by the City in May of 2016. If MPHA is successful in acquiring this parcel and securing funds to construct, it is anticipated that construction will begin in FY2017.

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. MPHA created, 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 conducted a comprehensive physical needs assessment in late 2014/early 2015. This most recent analysis indicated a current unmet capital need of approximately \$114.5 million. MPHA projects that need will grow to nearly \$500 million over the next twenty years for its public housing units.

MPHA estimated \$14,460,000 in planned capital fund expenditures in 2015 including:

- Comprehensive apartment rehab, piping, electrical and mechanical systems sprinkler systems, elevator modernization, facade restoration, roof replacement, and various building improvements.
- MPHA's 2015 Capital Fund expenditures were approximately \$14.7 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 2015 MPHA:

- Utilized its flexible fund authority to allocate additional funding to its capital fund program and for support of its public housing operations.
- Finalized its Comprehensive Needs Assessment on all it properties.
- Secured a \$1.2 million Publicly Owned Housing Program (POHP) grant to help fund a multi-million-dollar renovation project at MPHA's 620 Cedar Avenue highrise.
- 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 resident in smaller low rise buildings to view entry vestibule cameras from their apartments.
- MPHA maintained an occupancy of 99%
- MPHA received a HUD Public Housing Assessment Physical Inspection Score of >90% for all inspected properties.
- Reduced its HCV Program's per unit costs owing to its second year HCV Rent Reform model, achieving cost savings to support the Agency's highest priority.

- Began the conversion process of 200 public housing units at Heritage Park to Section 8 project-based rental assistance; providing a more stable and familiar funding stream to the private owners than public housing subsidy previously provided.

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 2015 MPHA:

- Exceeded the baseline number of Housing Choice Vouchers in use; utilizing an average of 4,541 vouchers each month.
- Successfully managed the HCV Rent Reform initiative, continuing to streamline the HCV Program activities in a cost efficient manner.
- Rolled out the MPHA Owners' Portal designed to streamline HCV/Owner communication and allow for information accessibility and documentation including HQS inspection results and Housing Assistance Payments. The portal can also be used to make announcements of upcoming events or any other information the HCV program needs to communicate to property owners.
- HCV and IT Departments partnered with the Finance Department and implemented an online direct deposit system connected to Visual Homes, Oracle, and MPHA Owners' Portal to reduce lost checks in mail and ensure an electronic paper trail for each payment. This change also aids the HCV program in its transition to a paperless operation.
- HCV Program assisted with revamping and overhauling MPHA's website to make it more up to date, visually engaging and mobile user friendly.
- Pulled Non Elderly Disabled from the waitlist at a sustainable and balanced pace.
- Established a new mechanism for tracking families pulled off of the HCV Waitlist to ensure consistent correspondence and knowledge of where families are in the housing search process.
- Purged the aging HCV waitlist of inactive applicants allowing the Agency to get closer to opening the Waitlist for new applicant in the future.
- Developed new innovative budget forecasting methods and models that take into account HCV participant volatility to facilitate more accurate, statistically valid, budget projections.
- Implemented Somali HCV Briefings and redeveloped translator information in multiple languages to all HCV documents in order to assist the English as a Second Language community.
- HCV Program employed use of "SmartSheets", an interdepartmental project coordination software provided by our IT Department, that improves tracking of multiple tasks that have to go through multiple departments.
- Created a live and interactive HQS enforcement reporting system in its HCV Program order to identify late and non-compliant inspections more effectively.
- Adopted new port out criteria designed to help HCV families move out of areas of concentrated poverty or racially concentrated poverty and move into areas of opportunity.
- Refined our system of identifying problem properties and non-compliant owners through the use of innovative technology in order to further ensure the safety of HCV families.
- Added Surface Pro tablets for our HCV HQS Inspection Team to streamline all inspection tasks.

- Redesigned the HCV Mobility program for 2016 implementation, to include incentives for the families to move to areas of opportunity while also providing more comprehensive mobility counseling. The process now also is more data driven and has multiple evaluation systems in place to better enable program success.
- HCV Program partnered with Policy and Special Initiatives and planned and got approved a "Prison to Home initiative" for 2016 implementation. It will provide funding for Better Futures and Beacon Interfaith Company to house 40 ex-offenders coming out of prison. The program is designed to address the critical housing, employment and mental health needs of Minneapolis ex-offenders and endeavor to combat recidivism.
- HCV Program partnered with Policy and Special Initiatives and planned and got approved a Permanent Supportive Housing Initiative for Youth Housing. The Youth Housing initiative will provide funding to Project for Pride in Living and YouthLink, to house 25 homeless youth in 2016.
- HCV Program partnered with Policy and Special Initiatives and planned and got approved a Shelter to Housing Initiative which is designed as a Project Based Initiative to house 50 homeless families living from shelter to shelter 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 2015 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.
- Completed comprehensive building renovation at MPHA's Signe Burckhardt Manor -- a 42-unit, assisted living facility -- which included dedicating two floors (14 apartments) to serve seniors with memory care and enhanced assisted living needs. This facility provides yet another opportunity for our seniors to age in place and receive services and support that foster quality lives.
- Completed the initiative to make the Agency highrises smoke free by 2016.
- Initiated a new partnership with Touchstone Mental Health. They will provide services to adults living with severe mental illness.
- Funded new HCV initiatives to leverage additional housing funds for counseling, social services community building efforts, job training, sobriety counseling and other supportive services with our community partners.

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 2015 MPHA:

- HCV Program assisted the Legal Department with the review and redesign of the Agency's Data Privacy Policy.
- Received and used interactive Twin Cities metropolitan area data map sharing tool from the Metropolitan Council for the HCV Mobility Voucher Program.

- Sent HCV Staff to participate in PRRAC's (Poverty & Race Research Action Council) Mobility Conference and contributed to discussion of residential mobility.
- HCV Staff corresponded and interviewed with the Minneapolis Federal Reserve bank on residential Mobility and areas of concentrated poverty and race.
- Engaged with the City of Minneapolis, State of Minnesota, Hennepin County, and Met Council on exploring strategies and policies for design, funding and development of family housing for extremely low-income families.
- Met with City Council representatives on policy related incentives for landlord participation in the Section 8 HCV Program, especially in opportunity areas.

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 2015 MPHA:

- Developed a balanced MTW Budget and continued to retain almost four months' worth of public housing operating expenses in reserves despite significant shortfalls in federal funding.
- Implemented direct deposit for over 1,200 Section 8 landlords, making the payment process more reliable, timely, and efficient.
- Received zero findings in its annual single audit and continued to be considered a "low-risk auditee" by the Minnesota State Auditor.
- Embarked on a procurement improvement project to identify purchasing system weaknesses and implement improvements.
- HCV Program achieved a lower PUC than budgeted for by the end of 2015.

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 2015 MPHA:

- MPHA successfully completed the first year of processing its own payroll and benefits for employees.
- MPHA restructured the Human Resources Department, including the addition of two new leadership roles; Human Resources Director and an additional Human Resources Manager.
- Began the initial assessment of Human Resource needs which will lead to the development and implementation of several key initiatives that will expand the reach of HR services to staff.
- Trained several new HCV staff to become Nan McKay certified Housing Choice Voucher Specialists.
- Sent the HCV Program Analyst to the PRRAC Mobility Conference in Chicago.
- Trained HCV staff in technical skills through classes at the Minnesota Science Museum.
- Developed new HCV quality control employee performance measurement to provide enhanced data driven reports for management of program operations.

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 2015 MPHA:

- The Procurement Department held seven Supplier Diversity Training Seminars. Led by MPHA staff, local government representatives, and business leaders, the training topics included: The Responsible Contractor Statute, Doing Business with the Met Council, Bidding for Results and Getting to the Next Level, Managing your Business, Leading your Company -- Continuing with the Plan, MPHA Needs Assessment 2015, and Bidding for Results, Bidding for Success. The 2015 activities in this area are part of a decade-long Agency effort to help develop women-owned, minority-owned and Section 3 businesses.
- Maintained a list of qualified Section 3 individuals and businesses. The 2015 list included 165 vendors and 42 registered Section 3 residents and/or individuals, the majority of whom are also WBE/MBE vendors. The list consisted of journeymen and apprentice plumbers, electricians, carpenter, sheet metal workers, laborers, concrete/masonry workers, and others.
- Participated in the Federal Executive Board's Small and Disadvantaged Business Opportunity Council's Annual Government Procurement Fair.
- Used Section 3 certifications awarded by other government entities to help recruit eligible businesses.
- Included information on Section 3 eligibility and opportunities in all solicitation packages.
- Maintained primary contact in the Procurement Department for serving Section 3 certified individuals and businesses and those seeking information and certification.
- Participated in an ongoing national Section 3 learning group with 22 other local agencies. Staff presented an overview of the MPHA Section 3 program and learned about the efforts by other agencies to expand their programs. Also participated in National Association of Minority Contractors (NAMC) monthly meetings.
- Participated in DOL/HUD pilot in posting opportunities to the <http://business.usa.gov/federally-funded-construction/add-opportunity> website which led to an additional Section 3 contractor who bid and was awarded two contracts.
- Participated on the Minneapolis Urban League Construction Activity Advisory Committee.
- Distributed pamphlets on MPHA's Section 3 Program during the 2015 National Institute of Government Procurement's Reverse Vendor Fair.
- Posted Section 3 Program information on MPHA's public website.

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
Emerson North Family Housing	10	0	Beacon's (Families Moving Forward) Board voted on June 10, 2015, at its annual meeting to remove Emerson North as an active project from their project pipeline; and therefore, release the 10 Section 8 PBA that had been awarded to this project.
South Quarter - Phase IV (The Rose)	15	15	The project encompasses an entire city block, or 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 is a truly economically integrated development, providing market rate and affordable apartment homes for a variety of household sizes, economic levels and lifestyles. South Quarter-Phase IV has formally been named "The Rose". Opened in October 2015, The Rose will provide 43 market rate units; 47 units will be leased to very low and low-income families, 12 of these units are designated for formerly homeless families; of these, 15 will be assigned Project Based Vouchers. The market rate units 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)
The Lonoke	4	4	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. Opened in November 2015, the Lonoke provides 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
29	19	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
		741	741

Other Changes to the Housing Stock that Occurred During the Fiscal Year

In 2014, MPHA received a provisional approval from HUD for RAD pending Congressional action to increase the RAD unit count. In 2014, Congress did increase the RAD unit allowance to 185,000 for FY2015 and MPHA has received a CHAP for Heritage Park and amended 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 2015 Capital expenditures totaled approx. \$14.7 Million. Major work – completed or initiated – included:

- Facade restoration at 1515 Park Avenue South, 2533 - 1st Avenue South and 311 University Avenue NE
- Roof replacement and common area improvements at 1710 Plymouth Avenue North; roof replacement at 1801 Central Avenue NE.
- Security fence installation at 600 - 18th Avenue North.
- 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.
- Heating and shower valve replacement at 1717 Washington
- Window improvements at 1707 - 3rd Avenue South
- Trash system installation and lower roof replacement at 2728 East Franklin Avenue
- Generator replacement at Fifth Avenue Highrises; generator and electrical systems upgrades at a number of other highrise properties

- Apartment renovation, piping replacement, fire suppression system installation, window replacement, and common spaces modernization at 2533 1st Ave S
- Piping replacement, apartment upgrades, fire suppression system installation, and HVAC improvements at 620 Cedar Avenue South
- Elevator modernization at six sites: 1920 - 4th Ave S, the Elliot Twin Apartments, the Fifth Avenue Highrises, and 2121 Minnehaha Avenue
- Security surveillance system upgrades at all MPHA highrises

Forecasted Capital expenditures in the 2015 plan were \$14.46 Million, which varies only slightly from the actual spending of \$14.7 million.

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		416 Average per month
Total Projected and Actual Households Served	20		436
* 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	4993
Total Projected and Annual Unit Months Occupied/Leased		240	5233
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 characteristics 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	20	X	X	X
Number of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	X	X	20	20	20	X	X	X
Percentage of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	X	X	100%	100%	100%	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%	5%	6%	100%
Number of Households Served by Family Size this Fiscal Year ***	5996	1342	971	764	525	734	10,332
Percentages of Households Served by Household Size this Fiscal Year ****	58%	13%	9%	8%	5%	7%	100%
Percentage Change	-3.4%	2.3%	3.9%	-1.4%	10.9%	16.7%	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	None	
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	134	Current or past participants employed at end of 22015
Working Family Incentive/FY2010-Activity 1 - Public Housing	2	Rent increased to flat rate amount
Rent-To-Own Initiative/FY2010 - Activity 4	2	Participant has income sufficient to purchase a home.
Rent Reform/FY2014 - Activity 1 - HCV Program	29	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-SUFFICIENCY	167	

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		6,296		Open	Yes
Federal MTW Public Housing Units		Family		6,405		Partially Open 3,4, & 5 Bedrooms	Yes
Federal MTW Housing Choice Voucher Program		Community-Wide		4,637		Closed	No
Federal MTW Public Housing Units - Rent To Own Initiative		Site Based		0		Open	Yes
<i>*Select Housing Program:</i> 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.							
<i>**Select Wait List Types:</i> 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).							
<i>***For Partially Open Wait Lists,</i> 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 50 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 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 ACTIVITIES

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	2015 expenses will decrease 9.65%, to \$40,162,621	2015 expenses decreased 8.76% to \$40,558,743.	No, the outcome did not meet the benchmark.

Expenses did not decrease as much as expected because the payment standards were increased, however, the HCV department still successfully saved money compared to 2014.

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	Based on the number of annual recertifications and lease-ups, the HCV department has conducted this year and the estimated time savings of half an hour from eliminating certain deductions, MPHA has saved 2,788 hours of staff time.	No, the outcome did not meet the benchmark.
Length of time required to complete	2 hours, including all associated tasks	15 minutes will be saved through the administrative efficiencies gained under rent reform	2 hours and 15 minutes. 9 letters	No. See explanation below.

interim re-examination	2,766 interims were conducted in 2012, equating to 5,532 hours of staff time 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	210 less interims will be conducted due to the limit of one tenant-requested interim 1,059 total hours of staff time will be saved	specifically denying the requests for second decrease interims were sent; however, 223 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	2,790 hours saved	

It is difficult to estimate the actual number of hours saved through streamlining various activities since we do not monitor Eligibility Technicians time spent with families all the time. The numbers above are estimates based on the inflows and outflows of actions sent into the PIC system. Additionally, these hours saved did not equate to cost savings for the agency, instead it freed time for Eligibility Technicians to do other relevant tasks.

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	11.2% error rate in adjusted income calculation.	No.

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	Earned income increased 10.7% to \$19,367	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	1,493 heads of households have earned income.	No.
	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%	60% of Work-able households had a head of household with earned income.	Yes.

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	2,109 Families are 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	Per unit cost ended at \$698	No.

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	29	Yes

2. Challenges

Our current challenge with rent reform is training the new staff in how the revised HCV program works and to reduce the error rate in adjusted income for the next year back to 2014 levels.

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. There have been two (2) units occupied by seven (7) individuals, in this program thus far. Unfortunately, the need for this program has not met expectations. The promotion of this program was the responsibility of Hennepin Health which had access to the doctors, clinicians and staff who could refer participants. Hennepin Health has since canceled this contract with MPHA and the program has ended and this activity was moved to 'Closed Out' in MPHA's 2016 MTW Plan. **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:

<i>CE #5: Increase in Agency Rental Revenue</i>				
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.	42,000	N/A

<i>HC #7: Households Assisted by Services that Increase Housing Choice</i>				
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.	7	No

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.

Please note that this initiative is phased out and was closed out in MPHA's 2016 MTW Plan. MPHA eliminated the Earned Income Disregard in implementing its Rent Reform program, but permitted current participants to complete their two-year eligibility under his initiative.

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

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

**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).	N/A	N/A	N/A	N/A

****CE #5: Increase in Agency Rental Revenue**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Rental revenue in dollars (increase).	N/A	N/A	N/A	N/A

****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)	N/A	N/A	N/A	N/A

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 in non-MTW Programs.

****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.	N/A	N/A	N/A	N/A

**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

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 267 units, which, includes the 30 PBV units. The total number of units without housing assistance that MPHA leveraged using the 30 project based vouchers is 226. 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 + 11 VASH	84* (also has 11 VASH PBV)
South Quarter Phase IV	101	15	86
Spirit on Lake	46	5	41
Lonoke	19	4	15
TOTAL	267	30	226

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 were Emanuel (6 PBV and 11 VASH PBV) and Spirit on lake (5 PBV). 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 and units were fully occupied in September 2013. The Spirit on Lake PBV HAP was effective September 15, 2013 and signed on September 12, 2013 and units were fully occupied in September 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 (The Rose). At the end of 2015, Lonoke units were open and in the process of lease-up.

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

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 = $\$330,000 \times 30 = \$9,900,000$. A ratio of 8.0x1 was achieved to equal \$88,100,000 with a total of 267 units.	The outcome exceeded the benchmark.

Emerson North did not receive funding or city approval.

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 because Emerson North did not receive funding or city approval.

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.	267 households.	The outcome meets the benchmark. See explanation below.

The benchmark of 144 households has been exceeded in 2015.

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.

<i>SS #1: Increase in Household Income</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	0	\$13,195	\$14,131	Yes, the outcome exceeded 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?
(1) Employed Full- Time	0	6	11	Yes
(2) Employed Part- Time	0	6	7	Yes
(3) Enrolled in an Educational Program	0	2	1	No
(4) Enrolled in Job Training Program	0	5		No
(5) Unemployed	0	0	3	No
(6) Other: Percentage of Households with Earned Income	0	75%	85%	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	6	No

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

<i>SS #6: Reducing Per Unit Subsidy Costs for Participating Households</i>				
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.

<i>SS #8: Households Transitioned to Self Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). Self Sufficiency is defined as the participant is off of government financial assistance.	0	2	N/A	Alliance's MTW service and housing intervention is a five-year program. The longest participating families to date have been in 31 months.

Challenges

This is a five-year initiative currently in its second 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 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. In 2015, 75 residents reported being away from their unit for more than 30 days, 43 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 may not 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.

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.

<i>CE #5: Increase in Agency Rental Revenue</i>				
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 of the activity \$36,103.	The outcome exceeds 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. In 2011, 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 good results with this initiative during 2015. The average income of those employed increased, while, and the number of households employed increased. At the end of 2015, there were 1,449 public housing households with earned income, an increase of 4.4% over 2014, while the average earned income of those households increased to \$22,051. MPHA had no requests for hardship under this initiative in 2015.

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 2015, 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) = \$22,051	The outcome exceeds the benchmark.

SS #3: Increase in Positive Outcomes in Employment Status				
<i>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.</i>				
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 with earned income after implementation of the activity (number) = 1,449	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 households with earned income after implementation of the activity (percent) 23.7%	The outcome exceeds 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 - 320	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). \$321.00	Actual average subsidy per household affected by this policy after implementation of the activity (in dollars) = \$288.85	The outcome exceeds 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) = \$19,210,629	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.

<i>SS #8: Households Transitioned to Self Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). The PHA 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) = 2	The outcome did not meet the benchmark.

The flat rate rent increased in 2014 and 2015 which impacted the number of families paying flat rate rent.

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 –

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 and 632 families paying minimum rent at the end of 2015. . 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) families 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. In 2015, there were 23 new requests for hardship, four were denied. Twenty-eight (28) had hardships that ended in 2015. At the end of 2015 there were 28 families receiving a hardship exemption from paying minimum rent.

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

<i>CE #5: Increase in Agency Rental Revenue - Public Housing</i>				
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 - \$600,000	Actual rental revenue after implementation of the activity (in dollars) =	

The benchmark was changed in 2015 to better reflect MPHA's experience, the previous benchmark was \$325,800 and MPHA's result was more than double that amount. The current revenue reflects fewer over all families paying minimum rent.

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 –

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. There were two unit turns in 2015, MPHA has eighteen (18) of the twenty (20) townhomes under lease and expects to have all twenty units under lease in 2016. When vacancies arise due to tenant inability to meet Rent-to-Own requirements, MPHA will open its site-based waiting list in order to market to new Rent-To-Own families.

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.

Baselines and Benchmarks

Issues related to meeting its initial benchmarks continued in 2015. 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 - \$25,500.	2% increase in earned income - \$26,210 2014 Actual: \$36,904 2015 Benchmark: 2% increase of 2014 actual.	\$41,154	The increase of 12% in household income exceeds the benchmark. One participant moved, purchasing a home elsewhere in 2015. One participant signed a purchase agreement to buy in 2015; however, FHA guidelines changed December 1, and she no longer met FHA guidelines. It is anticipated participants will continue to work on decreasing debt to income ratios and work toward mortgage readiness goals. Five (5) additional households are making ready to purchase in 2016 pending HUD and FHA approval.

This benchmark changed to reflect the actual from the previous year and set a new 2% increase as this is MPHA's annual benchmark goal.

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).	5 households in 2015.	Average amount of annual savings/escrow \$1,500.	5 households met their \$1500 savings match goals in 2015.	Yes.

This benchmark changed to reflect the average savings/escrow achieved from the prior year and including the expected additional savings escrow for 2015.

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.	2 households have sufficient income to purchase at time of move in.	2 households will achieve self-sufficiency (income sufficient to purchase home) within one year.	2 households achieved mortgage readiness within one year of moving into their townhomes in 2014. One moved in July 2014, the other moved in July 2015. Both had sufficient income and qualified for financing within one year of move-in.	Yes.

**** 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

MPHA believes this metric is not applicable as the goal of the initiative is for the resident to purchase the unit in which they live.

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).	0 households have sufficient income to purchase, but not mortgage ready.	2 households were ready to purchase home in 2015	0	No. Sales are pending HUD, FHA, and conventional financing approval for the sale of the townhomes.

**** 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).	18 households	20 households	18 households	No.

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. All 21 units remained occupied in 2014. It is expected that all units will remain occupied and remain active in 2016 as a preserved unit of affordable housing. This activity will be moved to the 'Closed Out' Section of the 2017 MTW Plan.

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.

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

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

AM P	Building address	2015 3rd Year Anniversary	# of Every Year Anniversary	Total Required w/o MTW Policy	Annals Not Done Due to MTW	Hours Saved
1	Glendale 1-91	12	56	89	21	
1	Glendale 92-184	14	67	93	12	
2	Project 86 1300-1310	1	7	11	3	
2	Project 38 250-347	9	42	69	18	
2	Project 38 349-444	8	60	80	12	
2	Project 38 445-489	6	27	39	6	
2	Project 39	4	23	36	9	
2	Project 25	0	13	15	2	
2	Project 13 146-242	3	50	65	12	
2	Project 13 2-145	9	48	72	15	
2	Project 53, 58,81	0	14	17	3	
2	Project 48	0	10	11	1	
2	Project 47	4	18	23	4	
2	Project 2,3,5	5	25	40	10	
2	Project 82	4	28	41	6	
2	Project 43 800-903	6	59	77	12	
2	Project 40	2	11	16	3	
2	Project 43 904-934	0	7	8	1	
2	Project 44	0	24	34	10	
2	Project 49, 51, 66,78, 97	3	28	38	7	

AM P	Building address	2015 3rd Year Anniversary	# of Every Year Anniversary	Total Required w/o MTW Policy	Annuals Not Done Due to MTW	Hours Saved
2	Project 45	2	20	24	2	
2	Project 52	0	4	4		
2	Project 97 1311-1330	0	17	17		
	Totals for s/s AMP	92	58	919	169	127

Higrises

AM P	Building address	2015 3rd Year Anniversary	# of Every Year Anniversary	Total required w/o MTW Policy	Annuals not done due to MTW	Hour s Save d
3	314 Hennepin 201-920	41	47	159	71	
3	314 Hennepin 1001-1620	0	33	138	75	
3	3116 Oliver Ave N	11	6	31	14	
3	600 18TH Ave 101E-521E	34	10	116	72	
3	600 18TH Ave 102w-1620w	35	9	114	70	
3	350 Van White	31	6	10	64	
3	315 Lowry Ave N	60	43	190	87	
3	2415 N 3rd	22	13	61	26	
3	1710 Plymouth Ave N	24	11	82	47	
3	1314 44TH APT 406-638	32	16	109	61	
3	1314 44th Apt 104-405	30	9	107	68	
3	800 5th Ave N	14	16	65	35	
3	901 4th Ave N	22	0	44	22	
4	1815 Central 201-1314	51	23	166	92	
4	1815 Central 1401-2514	47	26	164	91	
4	1717 Washington Ave	50	22	178	106	
4	809 Spring st NE	7	11	32	14	
4	1900 3rd St NE	10	8	32	14	
4	1206 2nd St NE	13	11	56	32	
4	828 Spring St NE	50	33	186	103	
4	710 2ND ST NE	9	7	35	19	
4	616 Washington St NE	7	10	35	18	
4	311 University Ave NE	20	11	46	15	
5	2419 5th Ave	29	34	126	63	
5	2433 5th Ave	32	32	125	61	
5	1707 3rd Ave	51	44	194	99	
5	1700 E 22nd St	22	29	94	43	
5	2533 1st Ave	10	4	31	17	
5	1920 4th St	27	27	108	54	

AMP	Building address	2015 3rd Year Anniversary	# of Every Year Anniversary	Total required w/o MTW Policy	Annuals not done due to MTW	Hours Saved
5	2121 16th Ave	23	26	94	45	
5	2019 16th Ave	20	26	92	46	
6	1212 S 9th St	12	31	85	42	
6	1225 S 8th st	22	21	85	42	
6	1627 6th St	31	26	116	159	
6	1515 Park Ave	52	39	181	90	
6	620 Cedar Ave	28	25	114	61	
6	630 Cedar Ave	55	27	188	106	
6	1611 6th St	29	18	113	66	
7	3755 Snelling Ave	3	13	28	12	
7	3205 E 37th St	7	8	28	13	
7	2728 Franklin Ave	37	26	149	86	
7	1415 E 22nd Ave	28	27	100	45	
7	3121 Pillsbury Ave	39	58	163	66	
7	115 W 31st St	53	18	162	91	
7	3310 Blaisdell Ave	48	21	164	95	
7	2121 Minnehaha Ave	23	45	109	41	
	Totals for H/R AMP	1331	1006	4896	2559	1919

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 2015, MPHA excluded 2,278 households from having an annual recertification under this initiative. In addition, 1,423 households underwent an annual recertification and will not have to be recertified for three years, unless there is a change of circumstance. There are 1,664 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 2,046 hours of staff time in 2015 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 \$119,371	Expected cost of task after implementation of the activity \$90,000	\$93,946	The outcome substantially 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 -6,240 hours	Expected amount of total staff time dedicated to the task after implementation of the activity - 4,120 hours	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours) = 194	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.	Rental revenue after the implementation of the activity \$19,210,629	The outcome exceeds the benchmark.

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	15	13
AMP 2	7	7
AMP 3	9	7
AMP 4	0	0
AMP 5	19	13
AMP 6	7	6
AMP 7	20	15
Totals	77	61
***Report indicates active EID's		

Impact of the Activity

Two hundred and three (203) MPHA residents have completed MTW EID's since it was implemented in July 2008. We believe the higher percentage of elderly and disabled residents has impacted the number of residents on EID's. 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 203 participants who have completed the EID, 73 are still employed, 22 are unemployed, 30 are receiving Social Security income and 78 have vacated. For the 77 that have not completed the full two year disregard, 61 are currently employed, 16 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.

<i>Families Participating in Earned Income Initiative</i>				
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	280 over six years	This outcome did not meet the benchmark.

<i>CE #1: Agency Cost Savings</i>				
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 2015dollars) \$1,344	Expected cost of task after implementation of the activity (in 2015 dollars) = \$8,960	Actual cost of task after implementation of the activity (in dollars) = \$6,900	The outcome meets the benchmark.

<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	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) - 10%	Actual average error rate of task after implementation of the activity (percentage) = 4%	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	Actual PHA rental revenue after implementation of the activity (in dollars) = \$19,210,629	The outcome exceeds the benchmark.

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 2015 dollars) = \$9,000	Actual average earned income of households affected by this policy after implementation (in dollars) = \$18,234	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). = 0	Expected head(s) of households employed after implementation of the activity (number) = 50	Actual head(s) of households employed after implementation of the activity (number) = 150	The outcome exceeds 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).	Head(s) of households receiving TANF prior to implementation of the activity (number) = 6	Expected head(s) of households receiving TANF after implementation of the activity (number per year) = 8	Actual head(s) of households receiving TANF after implementation of the activity (number) = 3	This outcome did meet 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) = \$279.00	Expected average subsidy per household affected by this policy after implementation of the activity (in dollars) = \$250	Actual average subsidy per household affected by this policy after implementation of the activity (in dollars) = \$274.00	The outcome does not meet the benchmark.

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.

<i>SS #7: Increase in Agency Rental Revenue</i>				
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) = \$18,000,000	Actual PHA rental revenue after implementation of the activity (in dollars) = \$19,210,629	The outcome exceeds the benchmark.

<i>SS #8: Households Transitioned to Self Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions for "self-sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided. Currently Employed.	Households employed prior to implementation of the activity (number). = 0	Expected households employed after implementation of the activity (number) = 50	Actual households employed after implementation of the activity (number) = 134	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 deconcentrating families who live in poverty and affirmatively furthering fair housing. The program was structured to increase housing choices for families on the MPHA Section 8 Waiting List and current program participants who lived in Areas of Concentrated Poverty (ACP) and Racially Concentrated Areas of Poverty (RCAP) 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.

We define ACPs and RCAPs in accordance to the Metropolitan Council, as census tracts within the Twin Cities 7 county metro area are located where 40% or more of its residents live at or below 185% of the U.S. poverty level. For RCAPs, they are defined as census tracts within the Twin Cities 7 county metro area located where 40% or more of its residents live at or below 185% of the U.S. poverty level *and* 50% or more of its residents are of color.

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 an ACP or RCAP. Families who lease in another metro area housing authority's jurisdiction must continue with MPHA case management services to remain eligible for the Mobility Program. Mobility families who port out cannot be absorbed during the 3 years they are under the Contract of Participation.

We have continued to access our current waiting list in an effort to increase utilization of Mobility vouchers. It is a time consuming process, due to the specific eligibility criteria for applicants: the applicant must have minor children, be employed, enrolled in a job-training program or an educational institution, and currently living in an ACP or RCAP and willing to move to an area of opportunity. In Fiscal Year 2015 we not only had difficulty enrolling families for the Mobility Program, 17% of the original Mobility Participants who completed their three-year contract, elected to move back to an ACP or RCAP.

It is time for change.

We have decided not to hire a consultant to redevelop our Mobility program and instead elected to redesign the Mobility program internally. The Mobility program has been successfully redesigned and we are in the process of hiring a new Mobility Community Services Coordinator for 2016.

MPHA is overhauling the mobility program by reinstating and adding incentives for potential participants and landlords, for example: application fees, security deposit assistance, and transportation assistance. We will be utilizing improved poverty mapping technology of the Twin Cities metropolitan area, and subsequently more accurately determining where in the seven county metropolitan area participants can move.

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

<i>HC #5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity	0	25	24	No

<i>HC #7: Households Assisted by Services that Increase Housing Choice</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice	0	25	29	Yes

The outcome is a 12-month average of how many Mobility participants who leased up in 2015. Month-to-month the number of mobility families lease up has varied from as low as 20 to as high as 28 with 24 being the average.

Challenges

The challenge this year was overhauling the mobility program, budgeting for the added incentives for the redesign, and developing payment standards that would enable families to make opportunity moves while at the same time were fiscally sustainable. These tasks were accomplished, but while the planning and redevelopment was in the process, we did not manage to garner more participation. This is clearly because we did not implement any changes besides using the new mobility mapping technology in 2015 and instead we have been using the old Mobility model.

Revisions to Metrics, Baselines, and Benchmarks

The benchmark for 2016 will increase from 25 to 50 due to the availability of new funding and the implementation of the new Mobility program model.

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.

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 ACTIVITIES**FY2015 ACTIVITY 1: Shelter to Housing Initiative - Public Housing****A. Description of Activity:**

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

Under HUD's Faircloth limit, Minneapolis Public Housing Authority (MPHA) has the authority to operate 112 additional public housing units over its current stock receiving additional subsidy to support families to be housed in these units.

MPHA will use its Moving To Work (MTW) authority along with Faircloth ACC to create a specialized housing program for families coming out of Homeless Shelters and to limit the time families can utilize this housing for no more than five years to ensure that these developments will turn over and become an on-going resource for homeless families. MPHA MTW authority is necessary to limit the occupancy for units being developed under the initiative to families coming out of shelter and referrals exclusively by Hennepin County. In addition, (Attachment C-C2) the five-year limitation on housing for these families also requires use of MTW waivers (Attachment C-C11).

B. Anticipated Impacts:

MPHA anticipates that this program will create 30 to 50 units in the first five years of the program and begin to bring relief to families who are stuck in shelter due to lack of other affordable housing and in doing will also free up shelter

MTW Authorizations:

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

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

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

Attachment C-C11: Rent Policies and Term Limits. This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 CFR 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency's MTW Plan.

Statutory Objectives:

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

space for other families relegated to be housed in overcrowded, unsafe and/or unhealthy situations. Families targeted for the program will receive ongoing services from Hennepin County and/or their services partners.

C. Anticipated Schedule:

MPHA will anticipate that, if this program is approved, it will use 2015 to acquire properties, secure needed capital funds and develop the first affordable units under the program. It is MPHA's goal to develop these units in clusters of small town home units 4 – 7 units per development. During 2015, while units are being capitalized and developed, MPHA will work with Hennepin County and its contracted service providers to develop a services MOU that can be individualized into plans that support the needs of individual families (Attachment C-B2).

<i>HC #1: Additional units of Housing Made Available</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). Families coming out of homeless shelters.	0	TBD	TBD	TBD

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

<i>HC #7: Households Assisted by Services that Increase Housing Choice</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice (increase).	0	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: (1) Employed Full-Time (2) Employed Part-Time (3) Enrolled in an Educational Program (4) Enrolled in job Training Program (5) Unemployed (6) Other	0 - Head(s) of Households in <<category name>> prior to implementation of the activity (number). 0 - Percentage of total workable households in <<category name>> prior to implementation of activity (percent)	TBD	TBD	TBD
		TBD	TBD	TBD

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).	0	TBD	TBD	TBD

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	TBD	TBD	TBD

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

FY 2013 Activity 2: Alternate Income Verifications (Approved in 2013 and Not Yet Implemented)**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.

<i>HC #7: Households Assisted by Services that Increase Housing Choice</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice (increase).	Zero. At the time of adoption, MPHA was unable to use income verifications.	Five per year.		

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 applied to the RAD Demonstration for conversion of the 200 mixed financed units at Heritage Park. In 2014, MPHA received a provisional 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 amended 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

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

Description of Activity

HUD's approval of MPHA's 2012 MTW Plan gave us the authority to change the HCV Program's annual Housing Quality Standards (HQS) Inspection requirement to a biennial HQS Inspection requirement for units in multifamily complexes of six (6) units or more and where 80% of those units passed HQS Inspections in the prior two years.

Section 220 of the 2014 Congressional Appropriations Act "allows public housing authorities to inspect assisted dwelling units during the term of a HAP Contract by inspecting such units not less than biennially instead of annually." MPHA's current MTW initiative under this category is fully compliant with all the allowances under Section 220 of the 2014 Congressional Appropriations Act and therefore, the Agency closed out this activity as MTW authority is no longer required.

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 discontinued 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 2015 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.

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, 2015, 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.

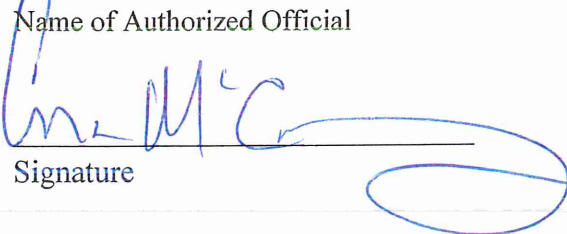
Minneapolis Public Housing Authority
PHA Name

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

April 14, 2016
Date