



2017 ADVANCE MEETINGS

DRAFT FY2018

MOVING TO WORK BUDGET & PLAN

LOW-INCOME PUBLIC HOUSING STATEMENT OF POLICIES

CAPITAL REVIEW

Welcome & Announcements

MPHA will:

- Continue reviewing and accepting comments on the current Draft Moving To Work (MTW) Plan
- Create an additional summary section and may translate it into other languages
- Extend the 'Comment Period' to September 30th
- Reschedule the Public Hearing to September 27th

DRAFT 2018 MTW PLAN

GREG
RUSS

EXECUTIVE
DIRECTOR/CEO



RESIDENT INVOLVEMENT

Jim Anderson
Resident Advisory Board Chair

Jim Anderson
Chair

Lisa Anderson

Flo Castner

Annie Greer

Bhupinder
Kahlra

Mary
McGovern

Joann
Montgomery

Tomasz Rajtar

Wanda Tonkin

Roxann White

Val LaBrie
(ALT)

Mohamud
Awed
(ALT)

2017 RESIDENT ADVISORY BOARD



*TIM
DUROSE*

*CHIEF
FINANCIAL
OFFICER*

2018 MTW Budget

Tim Durose
Chief Financial Officer

MTW Budget Development

Reasonably accurate estimate of expenses and revenue for each of the three MTW Programs.

Public Housing Operations

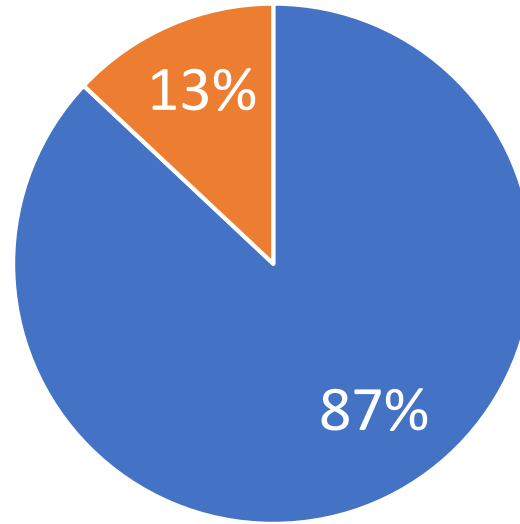
Public Housing Capital Improvements

Section 8 Housing Choice Vouchers (HCV)

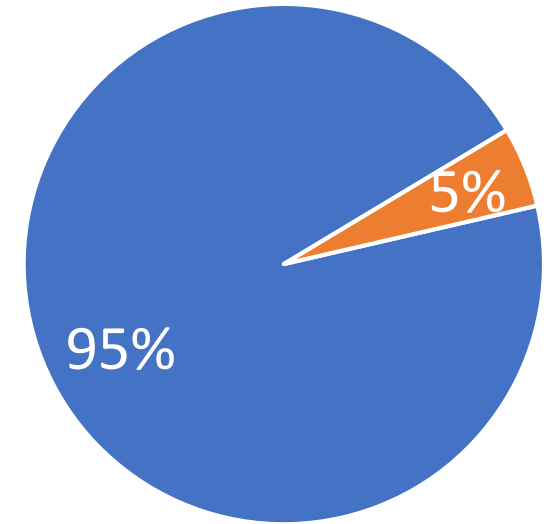
- ✓ Congress has not passed a 2018 budget
- ✓ MTW Budget developed in June
- ✓ Detailed Budget will not be finalized until November

MTW Funding Outlook

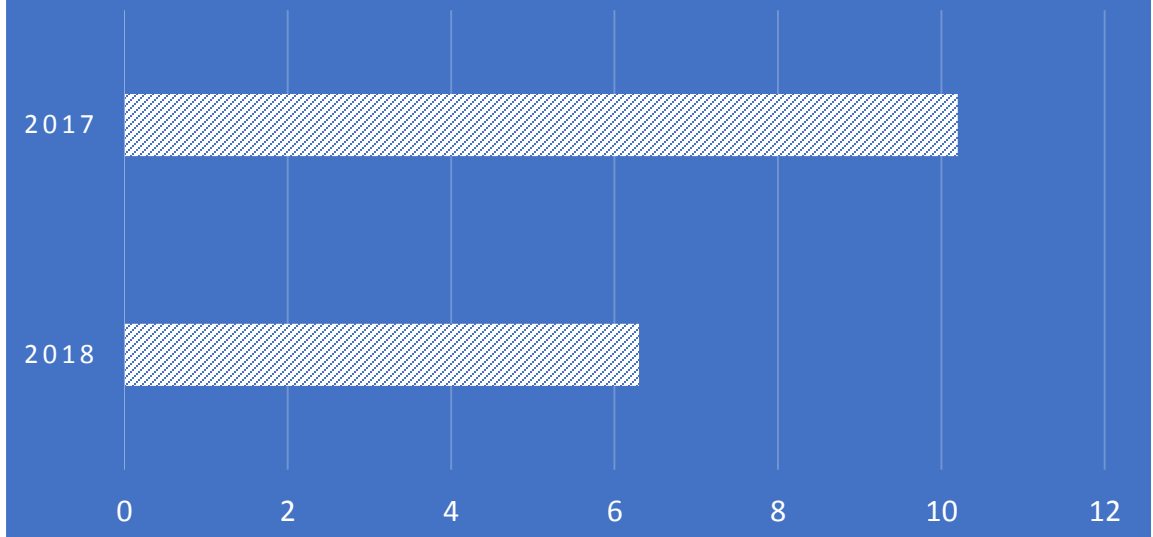
Operating Subsidy



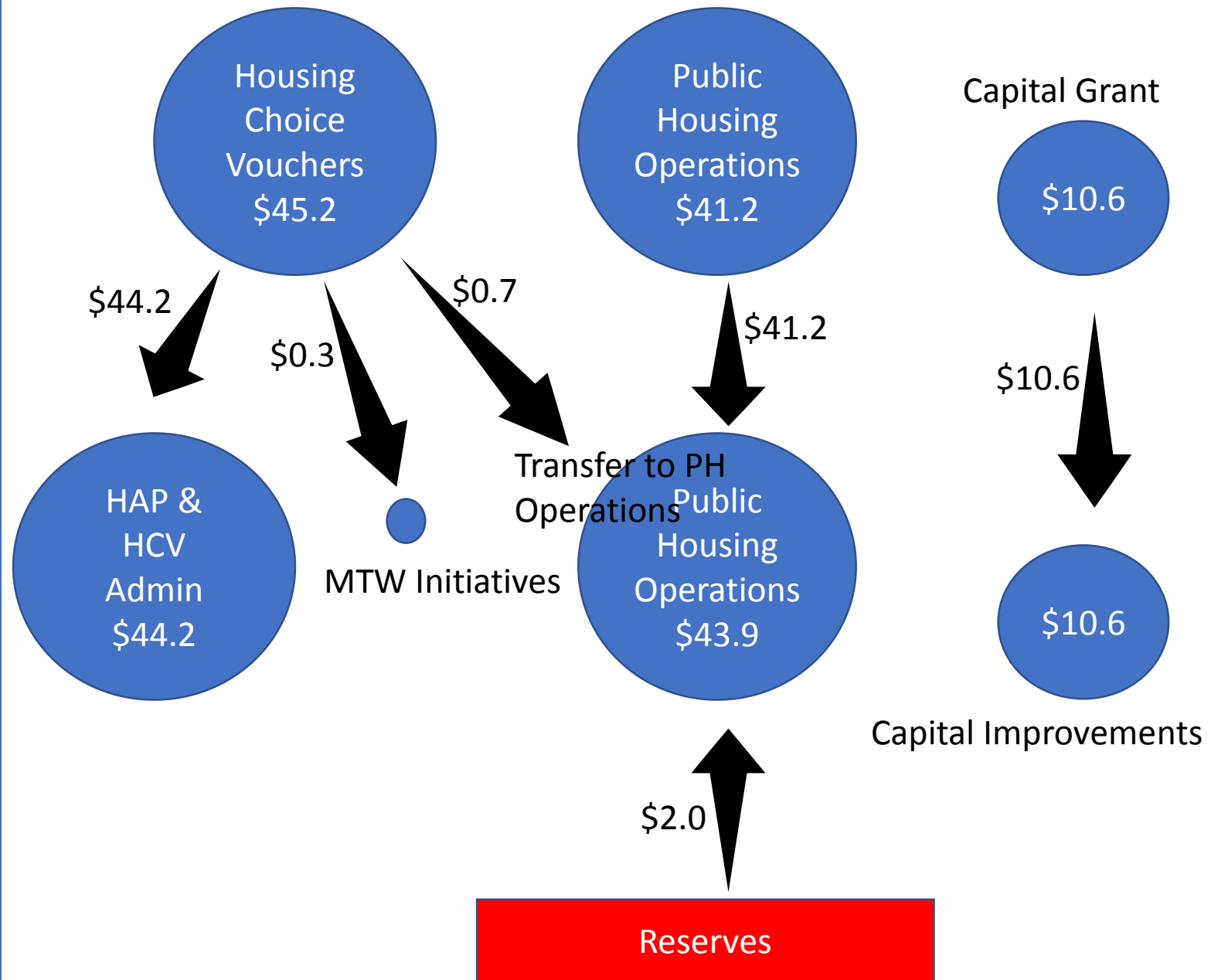
Housing Choice Vouchers



CAPITAL GRANT
(\$ MILLIONS)

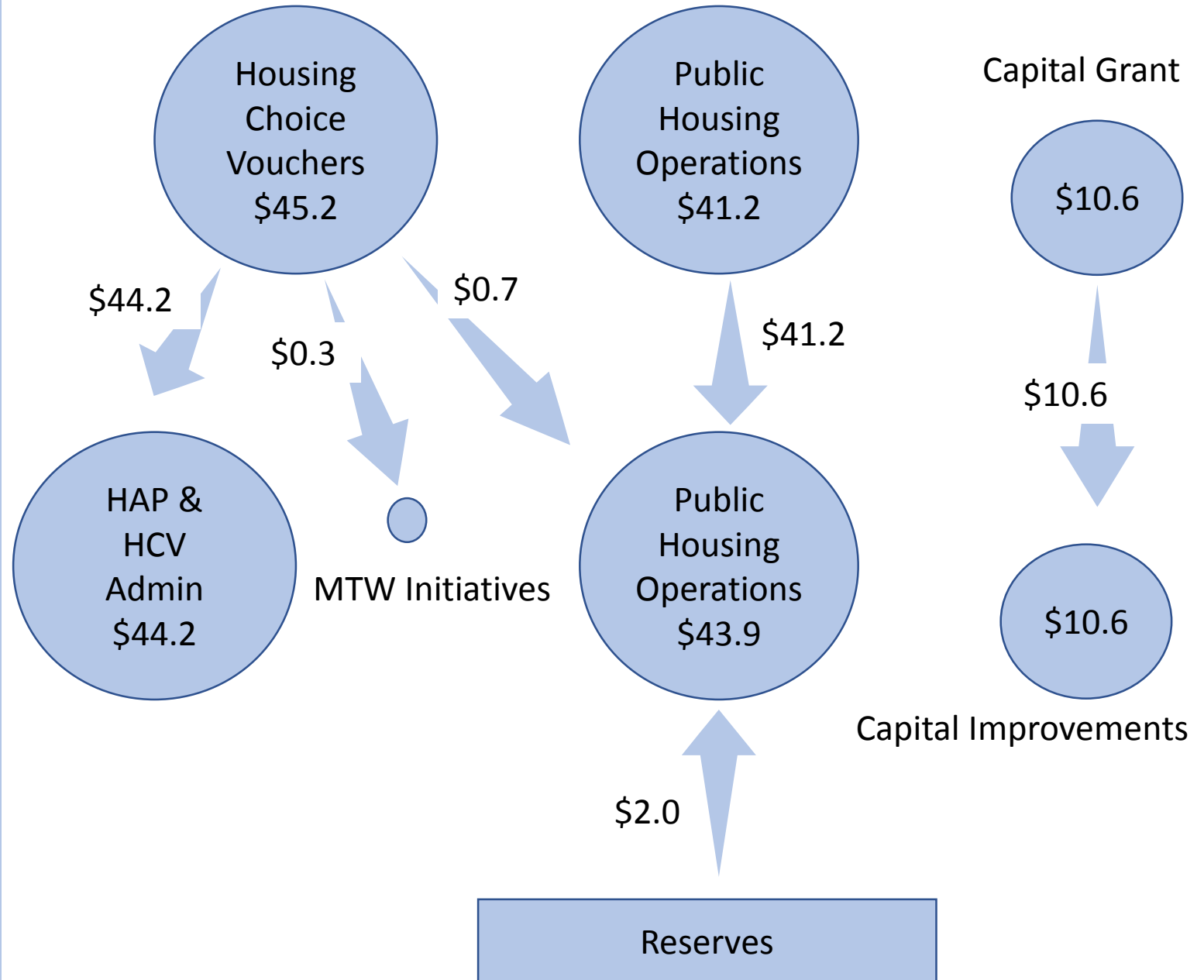


2018 MTW Budget



2018 MTW Budget

MTW Budget \$98.9 Million



MTW Budget Summary

- ✓ Public Housing Operating Program
Funded at 100% of the formula made possible by HCV transfer (\$700,000 plus \$2 million from reserves)
- ✓ Capital Fund Program
All Capital Fund grant funds will be used for public housing capital improvements
- ✓ Housing Choice Voucher Program
Funds 4509 Vouchers
Continues Rent Reform Model

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2018 MTW PLAN

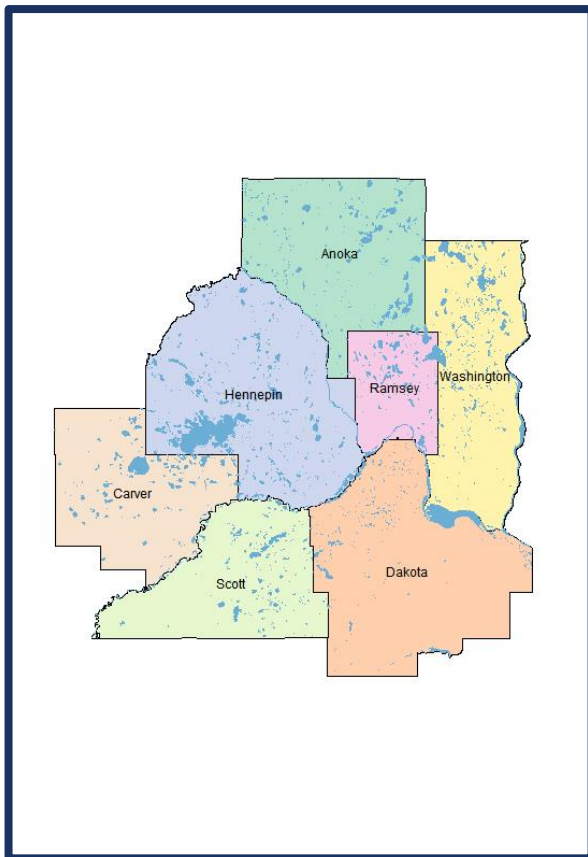
**BOB
BOYD**

**DIRECTOR OF
POLICY &
INNOVATION**

PROPOSED 2018 MTW ACTIVITIES



PROPOSED 2018 MTW INITIATIVES



- Activity I: Regional MTW Designation/Various Mobility & other Region-wide Initiatives
 - Per the existing MTW Statute (*Public Law 114-113—Dec. 18, 2015, Section 239*), a regional MTW designation will be requested in an action separate from the Annual Plan.
 - MPHA will create partnerships with neighboring PHAs to enhance mobility options for Housing Choice Voucher (HCV) participants to move to opportunity areas, including enhancing administration of HCV programs and creating a Regional MTW Agency.

PROPOSED 2018 MTW INITIATIVES

- Activity 2: Property Owners Incentive Fund
 - MPHA and the City of Minneapolis are engaging in an initiative that will encourage property owners to accept Housing Choice Vouchers by creating a number of incentives.
 - Property damage protections
 - Property Owner Holding Fee
 - First-time HCV Property Owner Incentive
 - Other incentives that to encourage property owners' participation and additional leasing to voucher families.

PROPOSED 2018 MTW INITIATIVES

- Activity 3: Establish Census Tract-Neighborhood Based Payment Standards to Enhance Opportunities for HCV Participants to be Housed in Various Minneapolis Rental Market Areas
 - MPHA has hired a consultant to conduct market analysis of Minneapolis census tracts to identify rental markets by census tract and neighborhoods.
 - MPHA will use the findings & MTW authority to adjust HCV Payment Standards.
 - This will enable the agency to distribute its HCV funding in manner that will enable families with vouchers to consider broader opportunities when seeking housing.
 - It will also increase owner participation in the HCV program, by better adjusting payment standards to the market.

PROPOSED 2018 MTW INITIATIVES

- Activity 4: Expanding Housing Choices through Faircloth
 - To expand the number of affordable housing units for low & very low-income families in Minneapolis (and, through partnership, possibly in neighboring jurisdictions) MPHA proposes to combine its Faircloth Authority for up to 141 units.
 - MPHA will use its MTW Authority to establish a flat subsidy that is decoupled from tenants' rents so that the owner payment will not be reduced by the tenant rent.

PROPOSED 2018 MTW INITIATIVES



- Activity 5: Resident/Participant “Goal Oriented (GO!) Housing” Initiative
 - MPHA proposes to create a MTW initiative with a cross-agency FSS-Plus program.
 - The program will have specific participation goals and incentives to encourage HCV and public housing families to join an intensive program of education, training, and employment opportunities.

PROPOSED 2018 MTW INITIATIVES

- Activity 5: Resident/Participant Goal Oriented Housing (GO) Initiative (*continued*)
 - MPHA will:
 - Use flexible voucher subsidies and workforce housing opportunities tied to services and supports provided by partner organizations.
 - Identify partners who will commit to provide services and supports to residents and participants, and coordinate with MPHA to establish success measures.

PROPOSED 2018 MTW INITIATIVES

■ Activity 6: Public Housing Education & Training Initiative



- MPHA will work with partners to set aside public housing units near education and training centers reserved for participants in programs offered by the partner organization.
- Units will be available to the partner organization at a negotiated rent, with the understanding that the participating resident will meet the minimum requirements for public housing as detailed in the Partner/MPHA Agreement, and not pay more than 30% of his/her income for housing while in the program.

PROPOSED 2018 MTW INITIATIVES

- Activity 7: Redefine Program Income
 - MPHA proposes to reallocate its program income to establish a “leverage fund” that will enable the Agency to enhance its ability to respond to its extensive need for capital improvements (currently more than \$112 million).
 - Under this initiative, resources from various rooftop leases, space rentals, and other minor sources will be used to help leverage capital resources to assist with repairs essential to preserve MPHA’s public housing properties.

PROPOSED 2018 MTW INITIATIVES

- Activity 8: Release of Declaration of Trust (DOT)
 - MPHA proposes to use its MTW authority to release Agency property from DOT, which restricts the Agency's ability to leverage needed capital funds.
 - MPHA will replace the DOT with a 40-year "Land Use Restriction Agreement" (LURA), which can be renewed (or self-renewed) to insure the land is restricted for low-income use in perpetuity.
 - MPHA will be able to leverage capital loans and other funds that are not forthcoming from Congress to move forward with a major revitalization of its properties while preserving the long-term affordability of its housing for very low-income families.

PROPOSED 2018 MTW INITIATIVES

- Activity 9: Conversion of Metropolitan Housing Opportunity Program (MHOP) Units to Project-Based Section 8
- MPHA currently places residents in 112 units of public housing in 17 different cities in the Twin Cities Metropolitan Area.
- MPHA neither owns nor manages these units.



PROPOSED 2018 MTW INITIATIVES

- Activity 9: Conversion of Metropolitan Housing Opportunity Program (MHOP) Units to HCV Project (*continued*)
 - Converting these units to Project Based Vouchers will better serve tenants and ease the operational burden on MPHA and property owners.
 - MPHA will use MTW in a manner similar to what HUD does under a Rental Assistance Demonstration (RAD) conversion, transferring the Public Housing Operating Subsidy and Capital Funds to Section 8.

PROPOSED 2018 MTW INITIATIVES

- Activity 10: Recertify all Residents (Except Those on Fixed-Income) Every Other Year
 - Families who are not elderly or disabled must currently recertify income every year. (Those on fixed incomes recertify every three years.)
 - These families now will only have to recertify every other year.
 - MPHA will phase this in over a two-year period.
 - This activity will reduce the overall number of annual recertifications, allowing the Eligibility Technicians to follow up on long-term minimum-renters and MPHA's high number of interim recertification requests.

PROPOSED 2018 MTW INITIATIVES

■ Activity 11: Asset Verification

- MPHA will modify the definition of Annual Income to exclude income from assets valued at \$50,000 or less.
- Where household assets are valued at more than \$50,000, MPHA will calculate and count only the imputed income from assets by using the market value of the asset and multiplying it by the MPHA established Passbook Savings Rate.
- MPHA will only seek third party verification for assets valued at more than \$50,000.
- MPHA will phase this in and it will be fully implemented in three years.

PROPOSED 2018 MTW INITIATIVES

- Activity 12: Adoption of a Local Section 8 Housing Choice Voucher (HCV) Project-Based Program
 - MPHA will adopt its own local Section 8 Project-Based Program utilizing MTW authority. This includes:
 - Project-basing Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing.
 - Adopting a reasonable competitive process (or utilizing an existing local competitive process) for project-basing housing assistance at units that meet existing Housing Quality Standards, or any standards developed by the Agency.

PROPOSED 2018 MTW INITIATIVES

- Activity 12: Adoption of a Local Section 8 HCV Project Based Program (*continued*)
 - Substituting a Letter of Commitment, MOU or other pre-issuance of a HAP action that is sufficient to move the development forward.
 - Modifying HUD's HAP Agreement to include MTW approved related actions.



LOW-INCOME
PUBLIC
HOUSING
STATEMENT
OF POLICIES

NOTABLE
CHANGES FOR
2018

Mary Boler, Managing Director of Low-
Income Public Housing

STATEMENT OF POLICIES - CHANGES

- ***Preferences: Language Added***
- If MPHA determines that the tenant has gained admission or remained in occupancy because of the tenant's misrepresentation of the need for or intent to participate in a Special Housing Program, MPHA may terminate the lease.
- ***Unit offering policy for Family Units***
 - MPHA will offer one unit to an applicant for a family unit. If the applicant declines the unit, the applicant will be offered one additional unit. If the applicant declines the unit, the applicant's name will be removed from the waiting list and they may not reapply for one year from the date of last rejection.
- ***Additional Charges***
 - MPHA will charge a late fee of 8% of a Tenant's monthly rent for rent not received by MPHA by the 10th of the month, with a maximum charge of \$50.00.

STATEMENT OF POLICIES - CHANGES



- ***Smoking Policy***

- The Smoking ban expands to Glendale and Scattered Site effective August 1, 2018. Also, clarification of overall no-smoking policy based upon HUD guidance.

- ***Clarification of the Pet Policy***

- Added information about how to seek approval for “Assistance Animals”, an animal that provides assistance, services or support to a person with a qualified disability. Assistance Animals are not considered pets although many provisions of the Pet Policy apply.

STATEMENT OF POLICIES - CHANGES

- ***Criminal History Screening Guidelines:*** These have been changed after guidance from HUD (and to be in compliance with a Supreme Court decision on disparate treatment of protected classes). The changes make it easier in some cases for those with criminal history to apply for housing. Comparison information is in your packet.
- ***Violence Against Women Act (VAWA) & Limited English Proficiency (LEP)***
 - Various changes were necessary to conform to regulation and law. VAWA adds additional protections for residents covered by the Act.



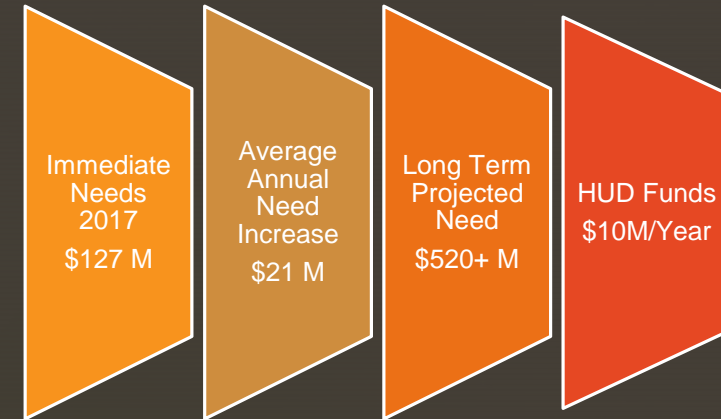
Annual Advance Meeting – 2017

2018 Capital Investments & Objectives

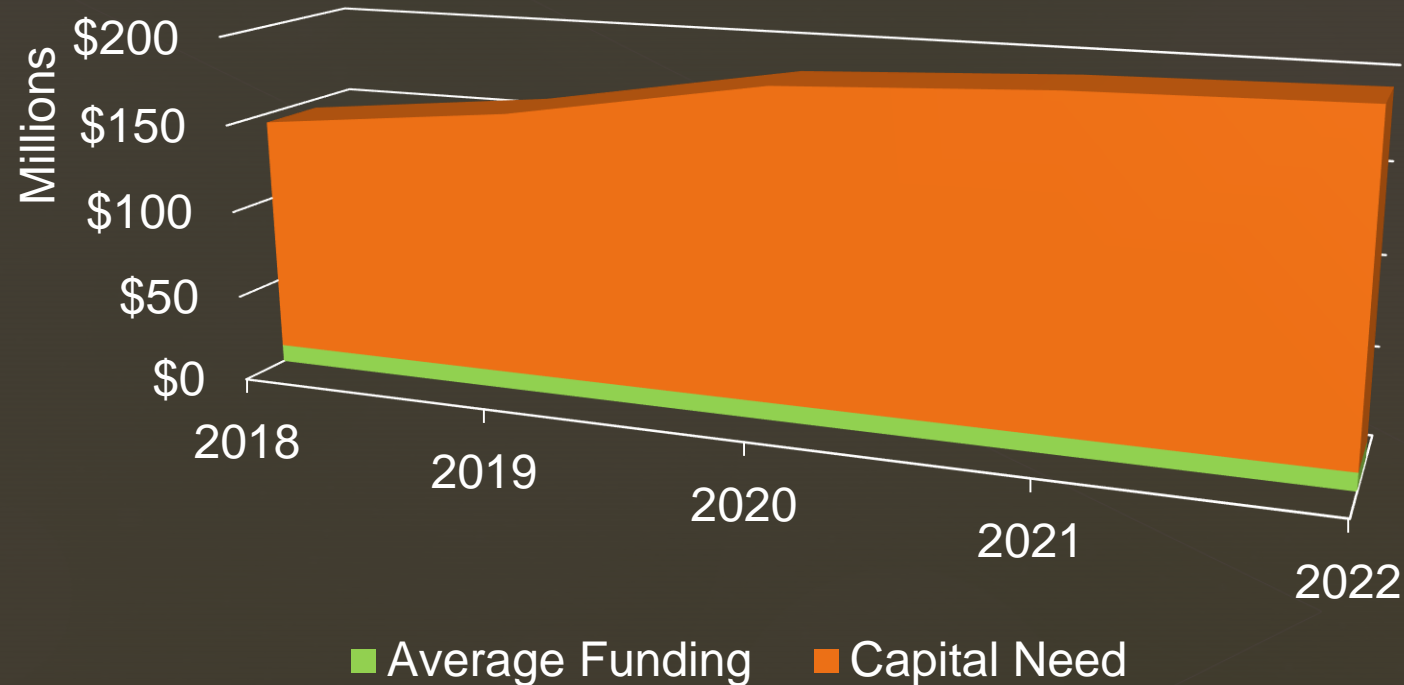


MPHA's Capital Needs

- To aid in capital planning, MPHA assesses & tracks the physical needs of all MPHA assets and projects future condition based on funding assumptions



Growing Unfunded Needs





Electrical Switchgear



Fire Alarm Panels



Plumbing

Aging Building Systems

HUD's Capital Fund Program

Asset Preservation



Examples of Capital Investments Recently Completed or Underway

- Major elevator modernization at six highrises ~ \$3.5M
- Comprehensive plumbing replacement, fire alarm system, and apartment improvements at 2728 E Franklin Avenue ~ \$4.7M
- Roof replacement, façade restoration, plumbing replacement, electrical/HVAC system upgrades, fire protection systems & apartment improvements at 311 University Avenue NE ~ \$3.7M
- Roof replacement at 20 single-family homes ~ \$400K
- Major façade restoration at four highrises ~ \$2.2M
- Roof replacement, plumbing replacement, electrical/heating system upgrades & apartment improvements at 3116 Oliver Avenue North ~ \$2M
- Major electrical systems replacement at Horn Towers ~ \$1M

2018 Capital Fund Program

Based on \$6.445M Grant*

- Siding & roof replacement at single family homes
- Major elevator modernization at 1710 Plymouth & 1206 2nd Street NE
- Comprehensive plumbing replacement, ventilation upgrades, and shower replacement at 1515 Park Avenue South
- Roof replacement at 3755 Snelling Avenue
- Comprehensive plumbing replacement and shower replacement at 2121 Minnehaha Avenue
- Building system upgrades – sites to be determined

** Final amount to be determined*

Deteriorated Plumbing at 1515 Park & 2121 Minnehaha Avenue





Development & Investment Opportunities

Creative Financing Strategies

Supplemental Funding Sources

- State's Publicly-Owned Housing Preservation (POHP) Grant: Awarded \$1.2M in 2015 to help fund comprehensive building renovation at 620 Cedar Avenue
- Sustainable Research Center (SRC), through a grant from the Department of Energy, initiated a weatherization pilot program at MPHA's Glendale Townhomes
- Utilizing its MTW flexibility, MPHA allocated additional resources to its capital improvements program in 2017 which will be utilized to complete fire systems upgrades at multiple sites
- HUD's Safety & Security Grant: awards to be announced

Recent Development Initiative


- 16 public housing townhome units for families coming out of shelter
- 2, 3 and 4 bedroom mix; 1 fully accessible unit
- \$4.2M total development cost; late 2017 construction start
- Funding sources include MHFA, MPHA, City, County, and Federal Home Bank Loan



Portfolio Analysis

MPHA will review its entire real estate portfolio and determine the best way to enhance each property's value while preserving its viability as safe, high-quality housing for low-income residents. Steered by MPHA's recently adopted *Guiding Principles for Redevelopment and Capital Investments*, this analysis will launch a 10-year improvement effort for our entire portfolio. Strategies may include:

- Major rehab or redevelopment; RAD, LIHTC, bonds, and loans
- New development utilizing Faircloth authority
- Asset repositioning; increasing density on existing sites
- Energy improvements



Questions? Comments?

THANK YOU!

