



**2020**  
**MOVING TO WORK**  
**ANNUAL PLAN**

**Fiscal Year January 1 – December 31, 2020**

**Approved by the MPHA Board of Commissioners: \_\_\_\_\_**

**Submitted to HUD: \_\_\_\_\_**

**EQUAL HOUSING OPPORTUNITY – EQUAL EMPLOYMENT OPPORTUNITY**

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### MISSION STATEMENT

*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 Interim Executive Director: Tracey Scott

### ABOUT THE MOVING-TO-WORK PROGRAM

In 1996, Congress created the Moving to Work (MTW) Demonstration Program. The program allows designated housing authorities to design and test innovative, locally-designed strategies for providing low-income families with affordable housing. MTW allows the agency to waive most HUD regulations if it is pursuing one of three statutory objectives: (1) increasing housing choices, (2) creating opportunities for families with children to become self-sufficient, and (3) increasing cost effectiveness of the agency. An MTW agency may also move funds as needed among its programs, within certain guidelines, to best meet local needs.

In 2008, the U.S. Department of Housing and Urban Development (HUD) granted MPHA its MTW status. We are one of 39 MTW agencies nationwide. MTW status does not increase MPHA's funding from HUD (and, despite its name, it does not impose work requirements on residents). However, it gives MPHA additional flexibility to weather federal funding volatility and to design programs that allow us to better serve our Minneapolis community.

Each year, MTW agencies such as MPHA must prepare two documents for HUD. In the fall, MPHA submits an MTW Annual Plan in which MPHA describes the ways we intend to exercise our MTW flexibilities in the coming year. This annual plan includes a detailed look at the programs, operations, and major capital investments of the housing authority, as well as any new MTW initiatives MPHA proposes to pursue. Each spring, MPHA submits an MTW Annual Report, which assesses our progress with respect to our goals over the prior year, summarizes our operating information, and provides updates on previously authorized MTW activities. The components of both documents are prescribed by HUD.

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# MPHA 2020 MTW Annual Plan

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## I. INTRODUCTION/OVERVIEW

### Near-Term Goals; Long-Term Investments

MPHA's short-term actions in 2020 flow through to the long-term priorities adopted by our board of commissioners: MPHA's *Strategic Vision and Capital Plan* and *Guiding Principles for Redevelopment and Capital Investments*. We frame our actions as an MTW agency as investments in the families we serve today, and in the outcomes we seek tomorrow.



#### **2020: INVESTING IN... OPPORTUNITY AND WELL-BEING**

Housing is a foundation for wellness, stable employment, and success in education. MPHA will enter 2020 with a new Human Services Department and a renewed commitment to advance initiatives and partnerships for wellbeing and economic opportunity of seniors, families, and all households we serve.

MPHA will complete a human services strategic plan during 2020 to articulate our vision in detail and prepare MPHA to identify grant-funded support. However, we already anticipate certain key themes and initial actions during the year.

#### **Health**

MPHA intends to develop a health strategy to address the complex **health needs of highrise residents**. This effort will focus on preventative and chronic disease management. We will work with the Minneapolis Highrise Representative Council Active Living Committee to explore how to reach more residents with a community health worker program. MPHA will explore new data-sharing agreements with external partners, such as Hennepin County, that can provide a foundation for analysis, in the aggregate, about the health and wellness of public housing residents. We hope these data-driven partnerships will lead to new insights and development of solutions to the greatest risks and challenges facing our residents.

MPHA will also explore a new initiative in **child wellness and welfare**, by working with partners to identify and serve families at high risk of involvement by child protective services. Supports could include flexible subsidies for identified families to stabilize their living situations and prevent the need for child welfare intervention.

This year MPHA's Resident Advisory Board, in its priorities, identified **sexual violence prevention** as an area for more attention. MPHA commits to learn more about the challenges residents are experiencing and determine how we can partner and take action as an agency to improve safety and security in this area.

#### **Employment**

In developing the strategic plan for human services, MPHA envisions new partnerships—driven by our MTW flexibilities—to connect youth and adults with in-demand **job training and job opportunities**. Certain existing partnerships have come to fruition recently, and we will chart and learn from their progress. These include the Great River Landing project-based voucher (PBV) partnership, where ex-offenders committed to a fresh start receive housing linked with a job-training and employment

requirement. (This activity has been in a sponsor-based phase since 2018 and will become project-based in late 2019.) Downtown View, another PBV partnership, provides homes to youth experiencing homelessness while offering on-site support for education and employment goals. With a renewed focus on human services partnerships, we anticipate new concepts that will leverage existing MTW activities to encourage self-sufficiency.

Under HUD's Section 3 program, MPHA will continue to emphasize training, employment, contracting and other economic opportunities to our residents and other lower-income individuals. MPHA remains a leading participant in the **Twin Cities Section 3 Collaborative**. Under this initiative, we have worked with our regional partners (housing authorities, units of local government) to streamline enrollment and search processes, including adopting a common model of self-certification. By 2020, we expect to begin using a common database of Section 3 vendors/job-seekers and implement reciprocity for those registered with other partners. Our goal in this is to make it as easy as we can for Section 3-qualified individuals and businesses to connect with MPHA and the other collaborative partners.

## Education

MPHA's **Stable Homes Stable Schools** partnership is underway with the City of Minneapolis, Hennepin County, Minneapolis Public Schools, and YMCA of the Twin Cities. MPHA and the city jointly fund rental subsidies for families identified by the schools as experiencing homelessness. The YMCA provides case management services, and a separate grant from the Pohlad Foundation funds support services for additional families who are considered at risk of homelessness. Parents commit to engagement in their child's education through their school, and to create a success plan with a case manager. MPHA will work with researchers from the University of Minnesota to monitor outcomes and program success. As a local, non-traditional subsidy, *Stable Homes Stable Schools* is made possible by MPHA's MTW authority.

In 2020, we expect to expand the number of families served to expand subject to operational capacity and availability of housing. We anticipate ongoing efforts to recruit increased participation of property owners. Further, in 2020 we plan to add a digital access component to the program by offering enrolled families access to low-cost computers, internet access, and training to bridge the digital divide.

## Regional Partnerships Focused on Housing Choice

The elements above are largely "in-place" interventions: meeting people where they are, to strengthen communities and provide resources. However, we also know that health, employment, and education show a positive correlation with neighborhood geography. MPHA is focused on maximizing the options of families with Housing Choice Vouchers to choose where they want to live.

MPHA's **Mobility Voucher Program** will continue to help families who opt-in to find and afford rentals in areas of greater opportunity—inside and outside of Minneapolis. In 2020, with results of a recent market rent study, we will update our **data-driven payment standards** to allow families to stretch their voucher further, living where they can maximize their chances for success.

Based upon highly productive discussions in HUD during 2019, we expect to form **the nation's first Regional MTW Agency** with the Metropolitan Council Housing and Redevelopment Authority (Metro HRA), as authorized under the 2016 Consolidated Appropriations Act. This designation would extend aspects of MPHA's flexibility to Metro HRA and possibly other local housing authorities who join in the

future. Initially, we will create a **joint regional mobility initiative** with Metro HRA to understand which program interventions are most effective in enabling families to successfully move to areas of opportunity using tenant- or project-based vouchers. MPHA has partnered with leading researchers and foundations to support and fund the project, including Dr. Raj Chetty of Harvard University, social policy researchers MDRC, and the Creating Moves to Opportunity (CMTO) research collaborative.



## 2020: INVESTING IN...OUR PUBLIC HOUSING PROPERTIES

Federal capital funds meet approximately 10 percent of the capital needs of MPHA's public housing portfolio. In 2020, we project no dramatic reversal in this decades-long trend. While we continue to press the federal government for increased capital funding, MPHA and the families we serve cannot afford to simply wait. Throughout our history, we have maintained our public housing to high standards despite persistent funding challenges. We intend to continue this strong tradition by leveraging every program and funding source available to us, consistent with our inviolable mission to provide housing for the city's lowest-income households.

Any MPHA development activity can and should be measured against our board-approved *Guiding Principles for Redevelopment and Capital Investments*. MPHA residents and community stakeholders have a clear understanding of our path, and that resident rights are protected along the way. In our initial activities, MPHA has worked in conjunction with residents and Mid-Minnesota Legal Aid to develop a strong relocation rights contract that outlines tenant protections should residents need to temporarily relocate due to MPHA's redevelopment activities. As a further layer of protection, the Minneapolis City Council adopted a resolution and related Memorandum of Understanding (MOU) between the city and MPHA expressing our shared commitment to investing in public housing, long-term public control, and protecting the rights of every resident.

### Preserving Highrise Homes

More than 80 percent of MPHA's public housing units are in highrise buildings (and around half of MPHA residents). The highrises are home predominantly to seniors and individuals with disabilities. MPHA's planned capital activities are limited by the amount of capital funding we expect. Based upon recent years' federal budget processes, we project \$14.8 million in federal capital funding in 2020. With the addition of \$1 million in project-specific state grants, we will invest in **high-priority repair and modernization projects**: roofs, piping, electricity, HVAC, elevators, and security enhancements. A detailed list of 2020 capital activities and expenditures is found in Appendix F.

MPHA will also expand the 2019 pilot of our **Quality Maintenance Program (QMP)**, a strategic approach to routine, preventive maintenance. The QMP uses data analysis, maintenance scheduling, and resident feedback to prevent work orders before they happen. A QMP pilot at the Horn Towers highrises remedied over 150 potential work orders so far in 42 units, at an average cost of \$986 per unit. We expect this investment to reduce work order calls, prevent resident inconvenience, increase resident satisfaction, and save a much greater amount over the long-term. For MPHA highrises where comprehensive modernization may be many years away, QMP offers a cost-effective approach to maximize quality of life and extend the useful life of the units.

Through an ongoing partnership with Franklin Energy and Xcel Energy, MPHA will continue to **replace aging appliances** with new, energy-efficient, more cost-effective units. Through 2018 and 2019, this program replaced air conditioners and refrigerators at eight properties at no cost to the agency. We expect to continue this partnership on a similar pace in 2020.

In 2020, MPHA expects to begin our **first comprehensive modernization using HUD’s Rental Assistance Demonstration (RAD)** program. RAD allows housing authorities, with HUD approval, to convert properties from one federal funding platform (Section 9 public housing operating subsidy) to another: project-based rental subsidies under Section 8. In an era of declining federal investment in public housing capital repairs, moving to this project-based subsidy 1) ensures a more stable, long-term funding stream for operating the property, and 2) opens opportunities for new investment to fix the buildings. Since its creation in 2012, hundreds of public housing authorities have used RAD to preserve more than 100,000 homes for low-income residents.

The Elliot Twins are comprised of a two-tower, 174-unit property near downtown Minneapolis. As one of MPHA’s oldest properties, the Elliot Twins face a substantial capital need and present outstanding potential for enhanced livability for residents and new community amenities. HUD approved MPHA’s application for RAD at the Elliot Twins in December 2018. Since that time, we have engaged with building residents on design and relocation committees, presented monthly to the buildings’ resident council, procured initial architectural designs, and begun the process of assembling a financing plan. Our timeline has us on-track for submitting the **financing plan in early 2020, with closing and construction beginning mid-year**. The design under consideration includes:

- comprehensive apartment renovations
- energy-efficiency improvements
- systems upgrades (including the addition of central air conditioning)
- the addition of 10 ADA (Americans with Disabilities Act)-compliant units (increasing total housing from 174 to 184 units)
- a new, one-story “community link” that will connect the two buildings at the main level, including secured entrances with guard stations, new commons areas, and new laundry facilities.

In addition to MPHA’s own capital funds, MPHA’s current financing strategy includes debt, Low-Income Housing Tax Credits (LIHTC), and increased federal subsidy via tenant protection vouchers for up to 25 percent of units under HUD’s Section 18/RAD hybrid rules. Additional public and philanthropic sources may enter the funding formula as well.

All renovations under RAD must satisfy **stringent federal requirements to protect residents**, including:

- Residents have a right to return to the property after work is complete.
- If relocation is necessary in the interim, residents must have comparable housing throughout the process.
- The rent calculation after RAD is 30 percent of adjusted income, as it was before.
- Residents are not rescreened and do not lose eligibility during a RAD conversion.
- RAD retains essential resident processes and rights, including the grievance process and funding for resident organizations.

MPHA is not using an outside developer for the Elliot Twins, and will continue to manage the property going forward.

**MPHA may begin the process to submit additional RAD applications in 2020**, based upon analysis of our portfolio and in line with the priorities under our Strategic Vision. Each application and approval will follow the prescribed disclosures and public and resident engagement process as required by HUD. Properties for which MPHA may consider applying for federal funding programs, including RAD, are included at the end of this section.

## Preserving and Expanding Housing for Families

MPHA provides homes directly to larger families through our townhome properties (Glendale and Minnehaha) and more than 700 “scattered site” houses in neighborhoods across the city. Our public housing waiting list also places families in more than 300 units operated by partners under the Metropolitan Housing Opportunities Program (MHOP). MPHA will continue our focus in 2020 on **preserving these deeply subsidized homes for families, as well as seizing opportunities to expand our portfolio.**

To **stabilize and increase the long-term subsidy for our scattered sites, without disruption to the families who live there**, MPHA has applied under the HUD “disposition” rules of Section 18 of the 1937 Housing Act. We received approval in August 2019. These single-family homes, duplexes, and fourplexes provide essential housing to low-income families with children served by MPHA. They offer an opportunity for families in public housing to integrate into their surrounding neighborhoods and often provide preparation for future homeownership.

The scattered site portfolio faces more than \$30 million in capital needs over the next five years. The cost to perform this work is substantially greater than the vastly insufficient Public Housing Capital Fund can cover. Upon approval, MPHA will transfer ownership of the scattered sites to a non-profit established and fully controlled by MPHA, which will own and manage the properties as project-based vouchers under MPHA’s Local PBV program. Crucially, this transfer under Section 18 will 1) allow MPHA to receive Tenant Protection Voucher (TPVs) for the properties, bringing an anticipated increase in federal subsidy of at least 50 percent, and 2) replace antiquated Declarations of Trust with Land Use Restriction Agreements (LURAs), protecting the property use for low-income housing while allowing MPHA to access traditional loans to fund improvements across the portfolio.

In 2019 MPHA initiated a physical needs assessment of every scattered site unit. In 2020, following the conversion, MPHA will use this guidance to implement a **multi-year schedule of phased major improvements at the scattered site properties**, including roof and furnace replacement and comprehensive remodeling where indicated. In addition to property improvements, the City of Minneapolis 2040 Comprehensive Plan allows MPHA to consider increasing density by adding units to sites. Paired with the funds for reinvesting in units, and the full knowledge of the capital needs of a property, MPHA will consider replacing scattered site units that have high capital needs with new, more energy efficient, denser housing units such as duplexes or rowhomes. These new units will be more efficient to operate and improve the livability of the units for tenants. We will also be adding to MPHA’s stock of badly needed, subsidized homes for the lowest-income families in Minneapolis. MPHA is in varied stages of planning for three **demonstration homes for energy-efficient scattered site**

**concepts:** single-family, duplex, and triplex. We expect one or more of these projects to reach completion in 2020, increasing our housing stock and providing vital learning for future development.

Consistent with our *Guiding Principles for Redevelopment and Capital Investments*, rent calculation will remain at 30 percent of adjusted income, and residents of the scattered sites will not be displaced as a result of the planned improvements to the properties or the change from public housing operating subsidy to project-based vouchers. Whenever possible, MPHA conducts major repairs or replacement when a unit is vacated. In rare conditions that warrant doing repairs or replacement while the unit is occupied, MPHA will fully protect and accommodate residents in accordance with our *Guiding Principles*. MPHA will continue to engage scattered site residents through meetings, focus groups, and mailings about designing homes that work best for them, and how to phase in any repairs we perform with the increase in funding.

MPHA will continue to assess options for preserving the public housing at Glendale, our oldest major property. This 12.5-acre site has extensive capital needs and presents the potential to create homes for additional families. MPHA implemented a \$1.5 million, grant-funded weatherization update of all units in 2018 that has brought durable improvements in comfort and energy efficiency. Glendale is also an initial focus of MPHA's QMP, where preventative maintenance will extend the life of units that are now almost 70 years old. **Glendale is a prime location for public housing, in a strong neighborhood on a light-rail corridor equidistant from two downtowns. Our first priority is retaining, for the long term, housing for at least 184 low-income families at Glendale.** The needs at this property are identified in MPHA's five-year schedule of capital needs. During 2020, MPHA will determine whether to initiate a planning process for Glendale.

In 2020, MPHA intends to begin a master planning process, potentially focused on a Choice Neighborhoods grant, to craft our long-term vision of the Heritage Park neighborhood. This neighborhood faces growth and change as construction of the Blue Line light rail transit extension commences. MPHA owns approximately 14 acres of vacant land in the Heritage Park development and will continue to monitor market conditions and development opportunities to develop these parcels to the fullest at the appropriate time. MPHA will explore and, if feasible, implement a site-based waiting list for the 200 public housing units at Heritage Park. MPHA would establish such a waiting list consistent with all applicable civil rights and fair housing laws and regulations, including the marketing, analysis, and reporting requirements in 24 CFR 903.7(b)(2).

MPHA's administrative building at 1001 Washington Avenue North is on the edge of Minneapolis' North Loop neighborhood, which is rapidly developing. MPHA is in the early stages to examine the feasibility of **redeveloping our 1001 Washington site to create administrative space that better meets our needs and potentially integrate new housing.** MPHA may also consider redevelopment and/or disposition under HUD's Section 18 rules of its warehouse facility located at 1301 Bryant Avenue North and the eight adjacent scattered sites units located within the same city block. There would be no net loss of housing units, and any affected families would be protected according to MPHA's *Guiding Principles*.

No discussion of MPHA's housing for families is complete without MPHA's **Housing Choice Voucher program**, which makes rent affordable for more than 15,000 people in Minneapolis. In 2019 MPHA opened its tenant-based voucher waiting list for the first time in 11 years. As a result, the voucher waiting

list in 2020 will be restocked with 2,000 people (the result of a random lottery from more than 14,000 applicants over six days). As HUD makes any additional voucher funding available, MPHA will continue to apply for vouchers that allow us to expand our affordable housing offerings, including focused voucher programs for veterans, family unification, and the disabled.



## **2020: INVESTING IN...MPHA'S PEOPLE AND PROCESSES**

MPHA strives for operational excellence, measured in terms of customer and employee satisfaction. Our nearly 300 employees are the heart of the agency. Investing in the way we do business leads to savings we can apply to our other priorities—and better service to our families and community.

The year 2020 will bring the steady testing and roll-out of a new unified software platform for MPHA's major business functions. In 2019, following an extensive procurement process, MPHA selected Yardi Voyager to replace our disparate systems in public housing, housing vouchers, and finance. **We expect to go live with a new unified software system in 2020.** By undergoing this much-needed upgrade, we anticipate gains in productivity, cost savings, compliance, customer and employee satisfaction. 2020 will bring a packed schedule of training followed by thoughtful, gradual implementation across our programs.

MPHA will enter 2020 with a fresh commitment to the elements of a top-tier employer: **recruitment, training, recognition, development, communication, and agency culture.** The process began in 2019 with the commencement of quarterly training sessions for supervisors, a review of HR policies and procedures, and the formation of a Diversity and Inclusion committee run by employees.

The path ahead features a comprehensive workforce development program focused on recruiting, retaining, and developing the employees MPHA needs to succeed. Priorities in 2020 include:

- Structured, more extensive recruiting outreach via external partners (such as colleges), job fairs, and online recruitment tools
- Enhanced performance management processes
- Implementing the findings of a market-based job compensation and classification study
- Revamped employee Health and Wellness committee including events, activities, and recognition programs
- New internal communication and employee feedback tools



## PROPOSED MOVING TO WORK ACTIVITIES IN THIS PLAN

As an MTW housing authority, MPHA may waive certain federal regulations to meet local needs and better serve our Minneapolis community. In this MTW Annual Plan, MPHA proposes to establish and implement three new MTW activities in 2020 (further detailed in Section III).

### Inspections and Rent-Reasonableness for MPHA-Owned Properties (2020 – 1)

MPHA anticipates some MPHA properties will convert before or during 2020 from traditional public housing subsidy to MPHA's Local project-based voucher (PBVs) program at properties owned and managed by MPHA. To reduce cost and achieve greater cost-effectiveness, MPHA will conduct its own inspections and determine rent-reasonableness for MPHA-owned units. This should improve administrative efficiencies, eliminate confusion for the residents of the unit, and improve the response-time for inspections. *(MTW OBJECTIVE: COST-EFFECTIVENESS)*

### Affordable Housing Creation and Preservation Toolkit (2020 – 2)

In the years ahead, MPHA anticipates using our flexibility as an MTW agency to preserve thousands of deeply affordable (30 percent of AMI) housing units in Minneapolis and create more as the opportunity arises. Whether renovating or redeveloping to preserve existing public housing, expanding current properties, or acquiring new properties for purposes that serve our mission and families, we anticipate employing a standard set of authorizations used by MTW agencies to nimbly execute projects that optimize the goals of housing choice and quality. MPHA's upcoming subsidy conversions (using RAD and Section 18) will likely employ these flexibilities, as will new housing created through scattered site expansions and pilot projects. *(MTW OBJECTIVE: HOUSING CHOICE)*

### Flexible Subsidy for Community Priorities (2020 – 3)

Traditional federal housing programs lack the flexibility and speed to meet the needs of low-income households facing housing crises. Nor do they offer the ability to customize housing assistance to address specific community needs (such as eviction, foreclosure, or safety) or to provide flexible funding to partners who have the networks and expertise to reach target vulnerable populations. Under this activity, MPHA will design and implement local, non-traditional models of housing support and alternative subsidy arrangements to extend our reach to new families and meet these needs. The components may include flat, term-limited, or step-down subsidies which may be directly administered by MPHA, or as part of sponsor-based or project-based program. In some cases, MPHA may use this flexibility to address acute housing-related crises in Minneapolis or to pilot limited programs with a research objective. One such program under consideration for 2020 is a flexible subsidy to support housing stability for families at risk of involvement by child-protective services. *(MTW OBJECTIVE: HOUSING CHOICE)*

In this plan, MPHA also proposes to consolidate certain overlapping or outdated activities. These activities will be closed, as a formal measure; however, the associated programs will continue. The plan also makes a notable update to our *Local Project-Based Voucher Program* activity, reflecting MPHA'S intention to exceed project-based voucher caps, as appropriate, to address community needs. (These changes are further detailed in Section IV of the plan.)

## PROPERTIES FOR WHICH MPHA MAY APPLY FOR HOUSING PRESERVATION PROGRAMS IN 2020

The purpose of this MTW Annual Plan is to inform HUD and public well in advance of MPHA's possible decisions in the short- and long-term. Based upon the latest analysis of MPHA's portfolio, the following public housing properties *may be considered* in 2020 or 2021 for repositioning, redevelopment, and/or recapitalization activities including, but not limited to, federal programs (including RAD, Section 18, or a combination) and federal/state/local grant opportunities. If MPHA determines that a preservation process is feasible, MPHA will initiate the HUD-prescribed requirements for disclosure, notification, and resident engagement prior to an application.

<b>Development</b>	<b>AMP</b>	<b>Units</b>
37th Street Manor	MN002000007, Horn AMP	28
Art Love Manor	MN002000003, North AMP	66
Glendale Townhomes	MN002000001, Glendale AMP	184
Hamilton Manor	MN002000003, North AMP	220
Heritage Commons	MN002000003, North AMP	102
James R. Heltzer Manor	MN002000007, Horn AMP	110
Lowry Towers	MN002000003, North AMP	193
Lyndale Manor	MN002000003, North AMP	239
Lynway Manor	MN002000003, North AMP	62
Oliver Manor	MN002000003, North AMP	31
Parker Skyview	MN002000004, Northeast AMP	333
Rainbow Terrace	MN002000003, North AMP	84
Signe Burckhardt Manor	MN002000005, Hiawatha AMP	42
Snelling Manor	MN002000007, Horn AMP	28
Spring Manor (809)	MN002000004, Northeast AMP	32
Spring Manor (828)	MN002000004, Northeast AMP	189
St. Anthony Highrise	MN002000004, Northeast AMP	49
The Atrium /Archie Givens	MN002000003, North AMP	299
The Pentagon	MN002000007, Horn AMP	129
The Riverside	MN002000007, Horn AMP	151
Third Avenue Towers	MN002000005, Hiawatha AMP	199
Thomas T Feeney Manor	MN002000003, North AMP	48



# Housing Assistance Programs

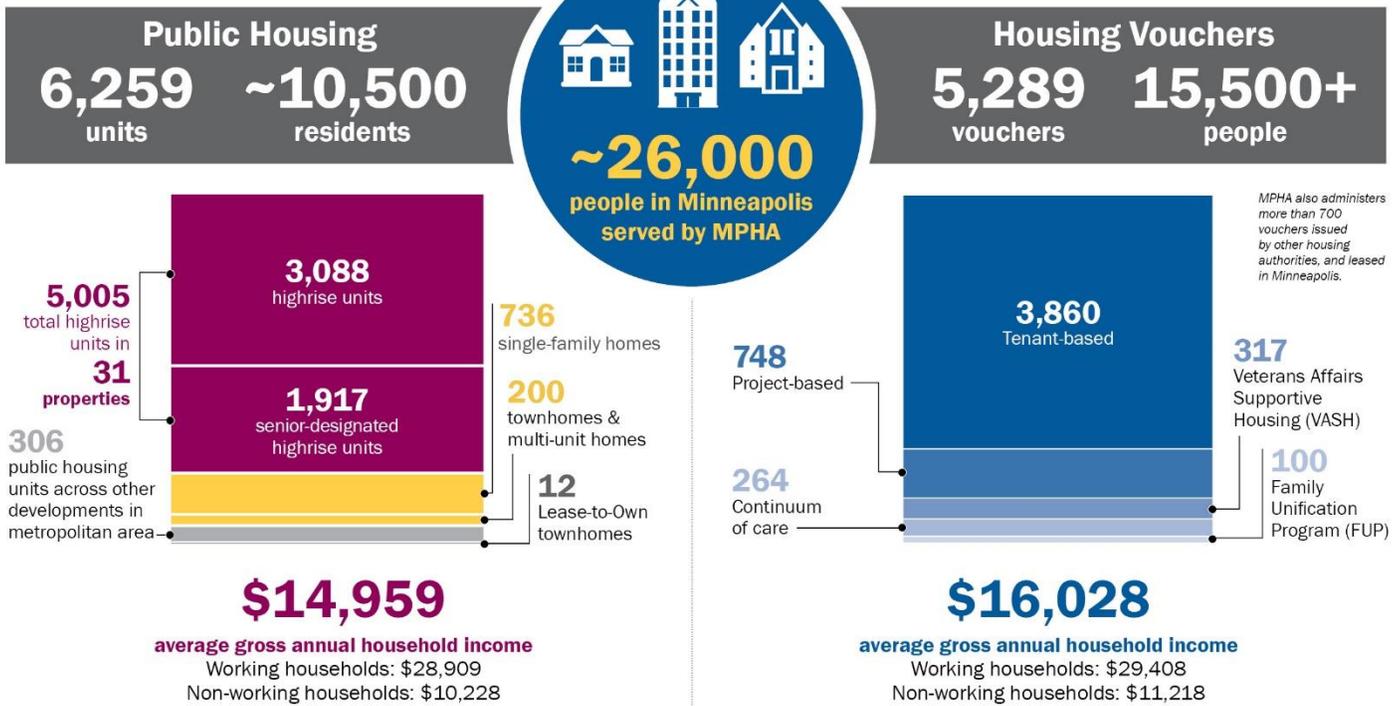
**Our Mission:** To promote and deliver quality, well-managed homes to a diverse low-income population and, with partners, contribute to the well-being of the individuals, families, and community we serve.

## Public Housing

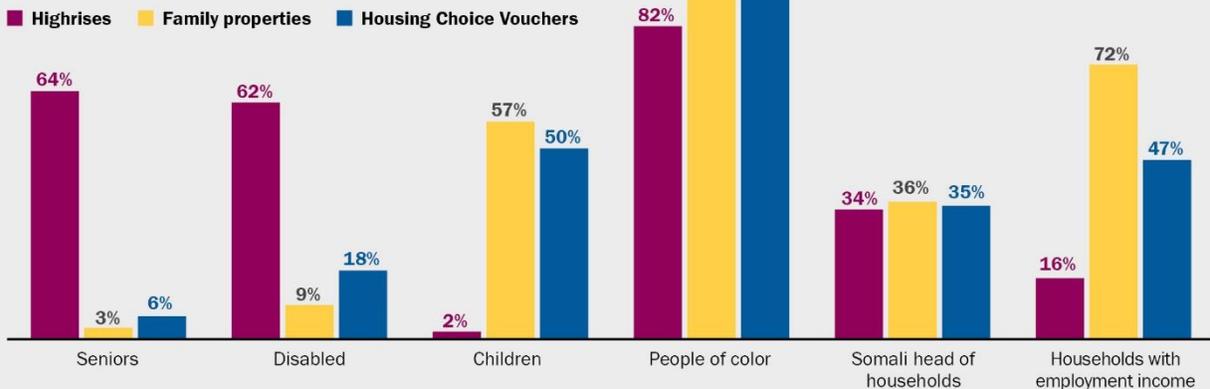
MPHA owns and manages apartments and homes. Most families receiving assistance from MPHA earn less than 30 percent of the Area Median Income (AMI), approximately \$28,300 for a family of four. Families contribute no more than 30 percent of their income toward their rent. While most of our homes are in high-rise buildings, MPHA also owns and operates single-family/duplex/fourplex homes throughout the city, two townhome developments, and places from its waitlist at certain third-party developments. MPHA partners provide assisted-living care at eight facilities and memory care at two.

## Housing Choice Voucher (HCV)

Under MPHA's tenant-based voucher program, eligible families receive a voucher that pays a portion of their rent in a privately-owned apartment or home. Families contribute approximately 30 percent of their income toward rent and utilities; MPHA pays the rest. Families can use the voucher within Minneapolis or outside the city. Other vouchers are project-based, in which MPHA contracts with property owners to attach a voucher to specific units and assure those units provide deeply affordable housing. MPHA administers over 5,000 vouchers, including special vouchers for veterans and persons with disabilities.



## Demographics



Source of graphics: MPHA as of July 11, 2019

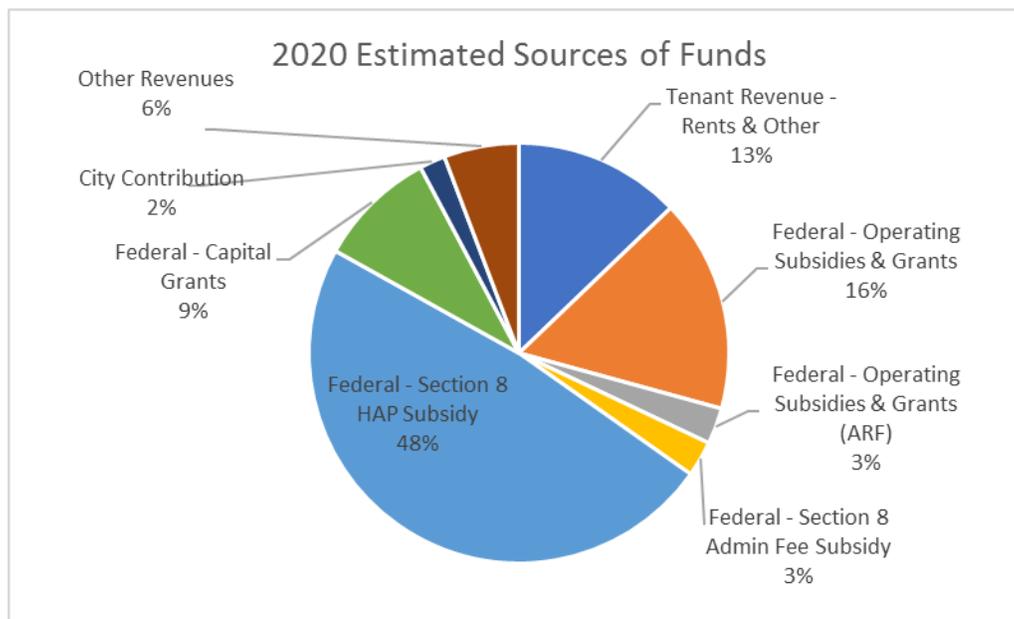
## I.B. Information on the MPHA Budget

### Introduction

The following section contains information on MPHA's 2020 Budget. The budget is a preliminary estimate of the sources and uses expected and relies heavily upon prior year's results. MPHA will complete a process in the fall of 2019 to analyze operations and costs and consider the latest Congressional appropriations to develop a detailed budget for MPHA's Board of Commissioners to approve in December. The final Budget will most likely vary from this preliminary estimate.

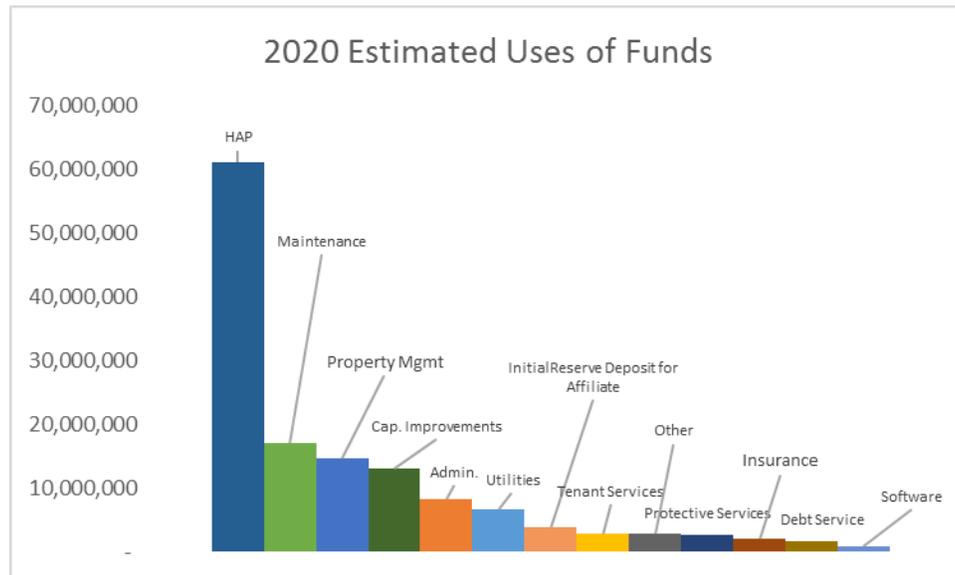
### Agency-wide Budget Estimate

MPHA estimates that approximately \$135 million in sources of funds will be available in 2020. Federal subsidies and grants are assumed to make up 79 percent of the overall sources of funds. The 2020 sources of funds are estimated at \$18 million more than the 2019 budget.



The 2020 MPHA-wide budget has an estimated \$136.7 million in uses of funds. The primary use of funds is estimated to be for housing assistance payments to Section 8 property owners followed

by property maintenance and management. Capital improvement expenditures are estimated at nearly \$13 million based on current projections for federal appropriations.



Reserves are projected at \$21.6 million. MPHA's reserves play an essential role at the organization, including availability to support housing authority operations in the event of a funding crisis (such as a government shutdown) and strategic, measured investment in long-term agency priorities. All agency reserves must be spent on public purposes, and most are further limited by the grant award (for example, \$1.7 million of the reserves is limited to non-MTW Section 8 expenses). By way of comparison, MPHA holds \$21.6 million in reserves in the context of a \$137 million annual operating budget and estimated \$152 million in capital needs.

## Fiscal Year 2020 MTW Budget Estimate

The MTW program provides MPHA financial flexibility to expend HUD public housing operating and capital resources and HCV program resources interchangeably among these programs, rather than limit spending to the program "silos" from which the funds were derived. The combination of the three programs at the local level creates an MTW local block grant that expands our allowable use-of-funds beyond that of non-MTW housing authorities. This gives MPHA the opportunity to design and test innovative, locally-designed strategies that use federal dollars more efficiently and provide opportunities for program creativity and innovation.

The MTW Budget presented for 2020 allocates resources to carry out:

- the daily operation and major building rehabilitation activities that are planned for MPHA's public housing program;
- the administration and housing assistance payments for the HCV Program; and
- innovative, locally-designed strategies to meet the mission of MPHA.

Although Congress has not yet passed a funding bill for 2020, MPHA's 2020 MTW Budget estimates funding levels based on prior year appropriations and the recently passed 2020 House Appropriations Committee Bill. MPHA is optimistically planning that federal subsidies and grants will remain near the 2019 levels. This funding remains drastically less than needed. For example, the estimated Capital Fund Program grant funds just eight percent of the current unmet capital needs.

The 2020 MTW Budget estimates HUD will provide 99 percent of the Public Housing Operating Subsidy formula (approximately \$200,000 less than the amount of subsidy HUD considers is needed for operating MPHA's housing stock). The HCV Program housing assistance payment (HAP) subsidy is anticipated to be funded at 100 percent of the formula amount, and the program administrative fees funded at only 80 percent of the formula amount. The budget also estimates that the public housing Capital Fund award will match the amount awarded to MPHA in 2019 (approximately \$14.8 million).

The Budget assumes that MPHA's scattered sites disposition application, submitted in 2019, is approved and implemented and thus Asset Repositioning Funds (ARF) and Demolition/Disposition Transitional Funds (DDTF) are included in the sources of funds estimates. These sources are provided by HUD when public housing units are approved for disposition out of the PHA's public housing program portfolio and supplements funding needed for costs associated with the disposition. It is also assumed that the tenant protection vouchers provided by HUD for the scattered site units will be funded at a level to meet the MPHA Section 8 payment standards for similar units.

The budgeted sources of funds are 8.5 percent higher than the 2019 MTW Budget. The MTW Budget anticipates improved federal subsidy and grant resources from higher appropriation levels and the higher federal subsidy provided for the tenant protection vouchers needed for the disposed scattered site public housing units.

MPHA's estimated loss of federal subsidy because of insufficient Congressional appropriations is almost \$1 million for 2020. The breakdown by appropriation account is presented in the following schedule.

	Subsidy	2020 Budget	
	Formula Eligibility	(Prorated Subsidy)	Subsidy Loss
Public Housing Operating Subsidy	19,636,000	19,440,000	196,000
MTW HCV HAP Subsidy	58,938,000	58,938,000	-
Admin Fee Subsidy	3,722,000	2,978,000	744,000
<b>Total Subsidy Loss due to Proration</b>			<b>940,000</b>

On the spending side, the 2020 MTW Budget increases overall spending by 8.5 percent, driven primarily through increased housing assistance payments. The budget assumes funding to cover 4,429 vouchers on average each month (MPHA's baseline voucher count) and continues MPHA's rent reform initiative with payment standards increased approximately 4.5% higher than the current budget. Additionally, the budget funds all of the former scattered site public housing units with tenant protection vouchers and provides for an initial deposit to an operating reserve for MPHA's affiliated entity. The affiliated entity will be the owner of the former scattered site portfolio

approved for disposition. The planned expenditures for major public housing building rehabilitation, \$12.35 million, are detailed in Appendix F (“Planned Capital Expenditures”) of this MTW annual plan. The Capital Fund Program continues to include funding for MPHA’s structured preventive maintenance program.

In response to insufficient HUD funding for the public housing program and for the administration of the HCV Program, MPHA estimates it will use its MTW spending flexibility to transfer HCV HAP subsidy to cover these shortfalls for fiscal year 2020 (MPHA’s fiscal year is January to December). Additionally, HCV HAP subsidy will be used to fund MTW initiatives for costs associated with locally-designed strategies to meet MPHA’s mission and to supplement non-MTW housing choice vouchers. A breakdown of the use of HCV HAP subsidy is presented in the following schedule.

<b>Estimated</b>	<b>Use of HCV HAP Funding</b>
MTW HAP Subsidy	58,938,000
MTW Paid HAP Expenses	53,962,000
<b>MTW HAP Gain/(Loss)</b>	<b>4,976,000</b>
Used for HCV Administration	(1,839,000)
Used for Public Housing Operations	(2,725,000)
Used for Non-MTW Housing Choice Vouchers	(274,000)
Used for Locally Designed MTW Initiatives	(138,000)
<b>Net Gain/(Loss)</b>	<b>-</b>

Please see Section V Sources and Uses of MTW Funds of this MTW annual plan for a line item breakdown of the estimated sources and uses of MTW Funds.

## **Other Federal Housing Assistance Programs**

In addition to MTW funds, MPHA receives funds for other federal housing assistance programs. These programs consist of Section 8 moderate rehabilitation and single room occupancy housing vouchers, housing vouchers for veterans (VASH), HUD’s Family Unification Program (FUP) vouchers, special purpose vouchers to serve non-elderly persons with disabilities (Mainstream program), and housing vouchers for HUD’s Special Needs Assistance Program (SNAP).

## Central Office Cost Center

Consistent with HUD's asset management requirements, overhead costs that benefit one or more HUD programs are budgeted for within the Central Office. The Central Office budgeted costs are supported by fees charged to each program. MPHA plans to charge up to the HUD permitted fees, including fees permitted by MPHA's local asset management plan (LAMP), because these fees are non-program income, de-federalized, and subject only to local government restrictions. Maximizing this fee revenue offers MPHA the greatest discretion in supporting its programs and having funds to leverage other grants and development activities. The budget calls for a \$1 million contribution to the Working Capital Fund needed to support predevelopment activities for MPHA's portfolio preservation efforts and leaves a \$3.2 million reserve balance.

## Working Capital Fund

The Working Capital Fund was established in 2018 and to cover the costs associated with a portfolio assessment needed to launch a 20-year capital improvement effort. This fund covers the predevelopment costs associated with planning and completing the assessments and, in selected cases, moving to close on individual deals.

The Working Capital Fund was partially funded by a 2018 McKnight Foundation award to MPHA of \$1,000,000 and combined with MPHA resources to fund this work. The 2020 budget assumes all the McKnight funds will be expended in 2019. The budget estimate assumes a \$1 million contribution from MPHA's Central Office to replenish the fund.

## Insurance Fund Budget

Until 2019, MPHA was self-insured for general liability claims. A \$3 million reserve is expected to remain in the Insurance Fund. It is expected that MPHA will purchase liability coverage in 2020 from a third-party insurer. The cost to cover the Central Office portion of this liability is estimated to come from the Insurance Fund. The other programs are expected to cover this insurance within the respective program budgets.

## Other Non-Federal Funds

The non-federal funds budget includes funds derived from the settlement of damages to MPHA resulting from a 2012 HUD operating subsidy offset, remaining profits derived from inspecting Class 4d properties for the State of Minnesota, and a \$300,000 grant received in 2017 (of which \$125,000 is expected to be spent in 2020) from the Family Housing Fund for planning and implementing a regional mobility initiative. Two new programs are included in the 2020 budget.

Stable Homes Stable Schools (SHSS) is a pioneering program to provide stable housing to Minneapolis Public Schools families at risk of and currently experiencing homelessness. The

other new fund is MPHA Property Management Services. The fund is intended to account for property management and maintenance services that MPHA will provide to its non-profit affiliate to operate the former scattered site public housing units. The services are expected to be covered through a contract between MPHA and its nonprofit affiliate, which will reimburse MPHA for the cost to provide the contracted management.

## II: GENERAL OPERATING INFORMATION

### A. HOUSING STOCK INFORMATION

**i. Planned New Public Housing Units**

New public housing units that the MTW PHA anticipates will be added during the Plan Year.

ASSET MANAGEMENT PROJECT (AMP) NAME AND NUMBER	BEDROOM SIZE						TOTAL UNITS	POPULATION TYPE*	# of Uniform Federal Accessibility Standards (UFAS) Units	
	0/1	2	3	4	5	6+			Fully Accessible	Adaptable

Total Public Housing Units to be Added in the Plan Year

0

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

If "Population Type" is "Other" please describe:

**ii. Planned Public Housing Units to be Removed**

Public housing units that the MTW PHA anticipates will be removed during the Plan Year.

AMP NAME AND NUMBER	NUMBER OF UNITS TO BE REMOVED	EXPLANATION FOR REMOVAL
MN002000009 AMP 9 MHOP	306	MPHA currently holds the ACC for 306 units that will be converted to PBV. These units were a result of the Hollman v. Cisneros Consent Decree and many are located outside the City of Minneapolis. These units will be converted to PBV units to streamline operations and reduce administrative burden.
MN002000002 AMP 2 Scattered Sites	736	MPHA has applied for a Section 18 Demolition/Disposition for the entire scattered site portfolio. The distance between the sites, varied building types and systems, and other challenges with efficiency and effectiveness make it difficult to manage and sustain these units under the current public housing subsidy. The scattered site units are part of MPHA's Energy Performance Contract (EPC). MPHA plans to pay off the portion of the EPC debt associated with these units.
MN002000006 AMP 6 Cedars (Elliot Twins)	174	MPHA has received a Commitment to Enter into a Housing Assistance Payments (CHAP) under the Rental Assistance Demonstration (RAD) program for the two Elliot Twins buildings. These buildings will be converted to preserve these units for the long-term.
	<b>1216</b>	<b>Total Public Housing Units to be Removed in the Plan Year</b>

**iii. Planned New Project Based Vouchers**

Tenant-based vouchers that the MTW PHA anticipates project-basing for the first time during the Plan Year. These include only those in which at least an Agreement to enter into a Housing Assistance Payment (AHAP) will be in place by the end of the Plan Year. Indicate whether the unit is included in the Rental Assistance Demonstration (RAD).

PROPERTY NAME	NUMBER OF VOUCHERS TO BE PROJECT-BASED	RAD?	DESCRIPTION OF PROJECT
MN002000009 AMP 9 MHOP	306	No	MPHA currently holds the ACC for 306 units that will be converted to PBV. These units were a result of the Hollman v. Cisneros Consent Decree and many are located outside the City of Minneapolis. Pending HUD approval, these units will be converted to PBV units to streamline operations and reduce administrative burden.
MN002000002 AMP 2 Scattered Sites	736	No	MPHA has applied for a Section 18 Demolition/Disposition for the entire scattered site portfolio. If the application is approved, all of the scattered sites would be transferred to Project-Based Vouchers.
MN002000006 AMP 6 Cedars (Elliot Twins)	184	Yes	MPHA submitted a RAD application for the Elliot Twins. These units will be transferred to Project-Based Vouchers. Current design anticipates an addition of 10 units to the original 174.
Minnehaha Commons	10	No	This project was selected through MPHA's Local Project-Based Voucher program Request for Proposals.
The Louis	10	No	This project was selected through MPHA's Local Project-Based Voucher program Request for Proposals.
Park Avenue Apartments	10	No	This project was selected through MPHA's Local Project-Based Voucher program Request for Proposals.
Energy Pilots	6	No	MPHA is constructing three energy pilot projects: a triplex, a duplex, and a single-family home.
	<b>1262</b>		<b>Planned Total Vouchers to be Newly Project-Based</b>

**iv. Planned Existing Project Based Vouchers**

Tenant-based vouchers that the MTW PHA is currently project-basing in the Plan Year. These include only those in which at least an AHAP is already in place at the beginning of the Plan Year. Indicate whether the unit is included in RAD.

PROPERTY NAME	NUMBER OF PROJECT-BASED VOUCHERS	PLANNED STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
Archdale	13	Leased/Issued	No	Serves homeless youth
Armadillo Flats - 2727	4	Leased/Issued	No	Serves low-income people
Armadillo Flats - 2743	4	Leased/Issued	No	Serves low-income people
Barrington	3	Leased/Issued	No	Serves low to moderate income
Bottineau Lofts	9	Leased/Issued	No	Serves low-income people
Boulevard	6	Leased/Issued	No	Serves low-income people
Catholic Eldercare	24	Leased/Issued	No	Assisted living facility for elderly
Central Ave Apts	61	Leased/Issued	No	Serves low-income people
Central Ave Lofts	8	Leased/Issued	No	Serves low-income people
Clare Apts	28	Leased/Issued	No	Serves single adults who have
Collaborative Village	16	Leased/Issued	No	Serves homeless individuals and families
Creekside Commons	6	Leased/Issued	No	Serves low-income people
Downtown View	25	Leased/Issued	No	Serves homeless youth
Emanuel Housing	6	Leased/Issued	No	Serves Veterans
Families Moving Forward	12	Leased/Issued	No	Serves homeless individuals and families
Franklin Portland	7	Leased/Issued	No	Serves low-income people
Great River Landing	40	Leased/Issued	No	Serves men coming out of prison
Hiawatha Commons	20	Leased/Issued	No	Serves low-income people
Jeremiah	18	Leased/Issued	No	Serves low-income single women
Journey Homes	12	Leased/Issued	No	Supportive services for disabled,
Lamoreaux	13	Leased/Issued	No	Serves homeless individuals
Lindquist	24	Leased/Issued	No	Serves low-income people
Lonoke	4	Leased/Issued	No	Serves low-income people
Loring Towers	43	Leased/Issued	No	Serves low-income people
Lutheran Social Services	12	Committed	No	Serves homeless families
Lydia	40	Leased/Issued	No	Serves disabled homeless
Many Rivers East	7	Leased/Issued	No	Serves low-income people
Many Rivers West	3	Leased/Issued	No	Serves low-income people
MN Indian Women's Resource Center	13	Leased/Issued	No	Serves homeless, Native American families
Park Plaza (phase I)	16	Leased/Issued	No	Serves low-income people
Park Plaza (phase II)	12	Leased/Issued	No	Serves low-income people
Park Plaza (phase III)	48	Leased/Issued	No	Serves low-income people
Passage	10	Leased/Issued	No	Serves low-income single women
Phillips Family	28	Leased/Issued	No	Serves low-income people
Phillips Redesign	4	Leased/Issued	No	Serves low-income people
Pinecliff	7	Leased/Issued	No	Serves low-income people
Portland Village	24	Leased/Issued	No	Serves homeless families with a disabled adult member
PPL Foreclosure	21	Leased/Issued	No	Serves low-income people

PPL Fourth Ave	6	Leased/Issued	No	Serves low-income people
River Runs	16	Leased/Issued	No	Serves low-income people
Spirit on Lake	5	Leased/Issued	No	Serves low-income people
St. Anthony Mills	17	Leased/Issued	No	Serves low-income people
St. Barnabas	39	Leased/Issued	No	Serves homeless and at-risk youth
The Rose	15	Leased/Issued	No	Serves low-income people
Trinity Gateway	16	Leased/Issued	No	Serves low-income people
West River Gateway	12	Leased/Issued	No	Serves low-income people
	<b>777</b>	<b>Planned Total Existing Project-Based Vouchers</b>		

\* Select "Planned Status at the End of Plan Year" from: Committed, Leased/Issued

**v. Planned Other Changes to MTW Housing Stock Anticipated During the Plan Year**

Examples of the types of other changes can include (but are not limited to): units held off-line due to relocation or substantial rehabilitation, local, non-traditional units to be acquired/developed, etc.

<b>PLANNED OTHER CHANGES TO MTW HOUSING STOCK ANTICIPATED IN THE PLAN YEAR</b>
MPHA will seek funding for developing new or purchasing existing structures as opportunities arise to add units to our portfolio. Funding sources for any such opportunities could include the Minnesota Housing Finance Agency, City of Minneapolis, Hennepin County, and other funders.
MPHA is launching construction of new energy-efficient units as pilots that may lead to many more such projects in future years. We are constructing a triplex, duplex, and single-family home. These will be agency-owned PBV properties.
MPHA is considering disposition and/or redevelopment of non-dwelling properties. This includes the potential disposition of a warehouse facility located at 1301 Bryant Avenue North, the redevelopment of its headquarters property at 1001 Washington Avenue North, and two possible dispositions of vacant land: the Heritage Park Phase III and IV parcels located south of Olson Highway and the 4.3 acre 555 Girard Terrace site. Although there are no specific plans for any of these properties, MPHA has begun considering various options for these sites and will continue studying them into 2020.

**vi. General Description of All Planned Capital Expenditures During the Plan Year**

Narrative general description of all planned capital expenditures of MTW funds during the Plan Year.

<b>GENERAL DESCRIPTION OF ALL PLANNED CAPITAL EXPENDITURES DURING THE PLAN YEAR</b>
MPHA's 2020 Capital Fund Program (CFP) plan is based on a projected funding level of \$14.8 million. Activities that were initiated under previous funding cycles but not fully completed will carry over and incur expenditures in 2020. Additionally, a portion of the activities slated for 2020's \$14.8 million budget will not be fully expended in 2020 and will carry into 2021. This expenditure schedule is based on certain assumptions, including receipt of the Capital Fund grant by the end of March 2020. Expenditures may vary significantly if grant awards are delayed. MPHA has estimated approximately \$15 million in capital expenditures for FY2020 targeted at specific projects across all seven Asset Management Projects (AMPs). Included in the \$15 million Capital Funds expenditures are window replacement, comprehensive modernization, elevator modernization, and apartment improvements in our highrise developments focusing on AMPs 3, 4, 5, 6, and 7. Expenditures also include the Quality Maintenance Program at AMP 1 Glendale and AMP 7. Details of this activity can be found in Appendix F. In performing its capital work, MPHA adheres to Federal, State and Local code and regulatory processes.

**B. LEASING INFORMATION****i. Planned Number of Households Served**

Snapshot and unit month information on the number of households the MTW PHA plans to serve at the end of the Plan Year.

PLANNED NUMBER OF HOUSEHOLDS SERVED THROUGH:	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED*	PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED**
MTW Public Housing Units Leased	74,976	6,248
MTW Housing Choice Vouchers (HCV) Utilized	54,108	4,509
Local, Non-Traditional: Tenant-Based <sup>^</sup>	1,920	160
Local, Non-Traditional: Property-Based <sup>^</sup>	120	10
Local, Non-Traditional: Homeownership <sup>^</sup>	144	12
<b>Planned Total Households Served</b>	<b>131,268</b>	<b>10,939</b>

\* "Planned Number of Unit Months Occupied/Leased" is the total number of months the MTW PHA plans to have leased/occupied in each category throughout the full Plan Year.

\*\* "Planned Number of Households to be Served" is calculated by dividing the "Planned Number of Unit Months Occupied/Leased" by the number of months in the Plan Year.

<sup>^</sup> In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/households to be served, the MTW PHA should estimate the number of households to be served.

LOCAL, NON-TRADITIONAL CATEGORY	MTW ACTIVITY NAME/NUMBER	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED*	PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED*
<b>Tenant-Based</b>	2020-3 Flexible Subsidy for Community Priorities	120	10
	2018-2 Goal-Oriented Housing Initiative	1,800	150
<b>Property-Based</b>	2020-3 Flexible Subsidy for Community Priorities	120	10
<b>Homeownership</b>	2010-4 Lease-To-Own Initiative	144	12

\* The sum of the figures provided should match the totals provided for each local, non-traditional categories in the previous table. Figures should be given by individual activity. Multiple entries may be made for each category if applicable.

**ii. Discussion of Any Anticipated Issues/Possible Solutions Related to Leasing**

Discussions of any anticipated issues and solutions in the MTW housing programs listed.

HOUSING PROGRAM	DESCRIPTION OF ANTICIPATED LEASING ISSUES AND POSSIBLE SOLUTIONS
MTW Public Housing	None
MTW Housing Choice Voucher	Minneapolis has a tight rental market with a vacancy rate of less than 3%. MPHA's efforts include investing in dedicated resident mobility and owner outreach positions to create new housing opportunities, completing a study of our local rental market, and launching an incentive fund for property owners.
Local, Non-Traditional	Given the tight rental market, the local non-traditional programs such as Stable Homes Stable Schools have focused on leveraging partnerships to reach out to property owners. Our experience shows property owners have shown greater willingness to participate in programs with a mission to serve a specific population, like children experiencing homelessness or veterans. Using MTW flexibility, MPHA will continue conversations in 2020 to create other flexible subsidies that can be tailored to the needs of families, the priorities of the community, and the experience of our non-profit partners.

**C. WAITING LIST INFORMATION**

**iii. Waiting List Information Anticipated**

Snapshot information of waiting list data as anticipated at the beginning of the Plan Year. The "Description" column should detail the structure of the waiting list and the population(s) served.

WAITING LIST NAME	DESCRIPTION	NUMBER OF HOUSEHOLDS ON WAITING LIST	WAITING LIST OPEN, PARTIALLY OPEN OR CLOSED	PLANS TO OPEN THE WAITING LIST DURING THE PLAN YEAR
Public Housing Elderly/Disabled	Disabled persons between the ages of 18 and 49, Near-Elderly and Elderly persons age 50 or over	10,000	Open	Yes
Public Housing Family	Families with at least one dependent	10,600	Partially Open (open for 2, 4, & 5-bedroom units)	Yes
Housing Choice Voucher Program	All households who applied	2,450	Closed	No

**Please describe any duplication of applicants across waiting lists:**

Families and individuals can apply to multiple lists if they meet the eligibility criteria.

**iv. Planned Changes to Waiting List in the Plan Year**

Please describe any anticipated changes to the organizational structure or policies of the waiting list(s), including any opening or closing of a waiting list, during the Plan Year.

WAITING LIST NAME	DESCRIPTION OF PLANNED CHANGES TO WAITING LIST
Housing Choice Voucher Program	This waiting list was opened in June 2019. 2,000 households were selected by random lottery and placed on the waiting list from the 14,701 who applied.

### **III. Proposed MTW Activities**

MPHA proposes the following MTW Activities in service to our community for 2020:

**Inspections and Rent-Reasonableness for MPHA-Owned Properties (2020 – 1)**

**Affordable Housing Creating and Preservation Toolkit (2020 – 2)**

**Flexible Subsidy for Community Priorities (2020 – 3)**

*Activity descriptions are on the following pages.*

## Inspections and Rent-Reasonableness for MPHA-Owned Properties (2020 – 1)

**Objective:** Cost-Effectiveness

### Description

Federal regulations require an outside contractor to perform HQS inspections and rent reasonableness determinations on PHA-owned units receiving federal subsidies for housing programs. In order to reduce cost and achieve greater cost-effectiveness in federal expenditures, MPHA will conduct inspections and determine rent reasonableness for MPHA-owned units using MTW waivers. Eliminating the independent entity will improve administrative efficiencies, eliminate confusion for the resident of the unit, and improve the response time for performing inspections.

### Schedule and Impact of Activity

Beginning in 2020, this activity will apply to 736 units of scattered site housing converted to project-based vouchers using HUD's Section 18 program. Pending design and project timing, it will be applicable to 184 units following a highrise RAD conversion at the Elliot Twins. Pending activity implementation and the terms of that implementation, this activity may be applicable to units converted using MPHA's activity 2019-1 (*Replace Form of Declaration of Trust (DOT) with Land Use Restriction Agreement (LURA) to Preserve Public Housing*).

MPHA will assess the savings to the agency by comparing the cost to the agency of conducting such inspections itself against the anticipated cost had we used an outside vendor. Staff time savings are not relevant given that MPHA conducts additional inspections as a result of the activity. MPHA has similarly determined that the decrease in error rate is not a relevant objective of this activity.

### Authorizations

Cited authorizations from Attachment C needed to engage in this activity to waive the independent entity requirements set out in 24 CFR 983.59 include:

- Section D.2.c (Rent Policies and Term Limits) under which the housing authority is authorized to develop a local process that differs from the currently mandated program requirements in the 1937 Act and its implementing regulations to determine rent reasonableness; and
- Section D.5 (Ability to Certify Housing Quality Standards) under which the housing authority is authorized to certify that housing assisted under MTW will meet housing quality standards established or provide by HUD.
- Section D.7.a (Establishment of an Agency MTW Section 8 Project-Based Program) under which MTW agencies may waive parts of 24 CFR 983 as necessary "to project-base Section 8 assistance at properties owned directly or indirectly by the Agency."

These authorizations waive certain provisions of Section 8(o)(10), Section 8(o)(8), Section 8(o)(11) of the 1937 Act and 24 C.F.R. 982.507, 24 C.F.R. Subpart H, 24 C.F.R. Subpart I, and 24 CFR Part 983 as necessary.

### HUD Standard Metrics

<b>CE#1: Agency Cost Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	\$40,000 (based upon estimate for 736 scattered site units)	\$36,000 (10% decrease)		
<b>CE#2: Staff Time Savings*</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>2018 Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	0	0		
* Not an objective of this activity				
<b>CE#3: Decrease in Error Rate of Task Execution*</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>2018 Outcome</b>	<b>Benchmark Achieved?</b>
Average error rate in completing a task as a percentage (decrease)*	0	0		
* Not an objective of this activity				

Source: Internal agency data

## Affordable Housing Creation and Preservation Toolkit (2020 – 2)

**Objective:** Housing Choice

### Description

In the years ahead, MPHA anticipates using our flexibility as an MTW agency to preserve and create deeply affordable housing for our Minneapolis community. Whether renovating or redeveloping to preserve existing public housing, expanding current properties, or acquiring new properties for purposes that serve our mission and families, we anticipate employing a set of authorizations used widely by MTW agencies to nimbly execute projects that optimize the goals of housing choice and quality.

The primary MTW components of this activity are

- Single Fund Flexibility, by which MPHA will mitigate financing gaps by using MTW funds for development, acquisition, financing, or renovation costs;
- Development-related authorizations pertaining to partnership, design, acquisition, uses, unit types, and cost limits (where our local market costs exceed regulatory limits);
- Streamlined administration by agreement with the local field office, including a streamlined approval-letter process for PIC-removals; and
- Broader Use of Funds, in situations where MPHA may encounter opportunities to preserve or create nontraditional affordable housing opportunities that are neither solely subsidized with Section 8 nor Section 9 funding.

### Schedule and Impact of Activity

With this activity, MPHA will stand ready with a toolkit of authorizations to move quickly and effectively to preserve and create housing for our community with the full power of MTW. Any of MPHA's development activities may be advanced, and their outcomes for families improved, by applying the development-focused authorizations here.

In 2020, MPHA expects to execute a RAD conversion and redevelopment of 174 units at the Elliot Twins highrises, making use of single-fund and potentially other development flexibilities as we fulfill a vision that is optimal for our residents and community. We will further consider RAD for other properties as we continue to analyze the capital and financial needs of our portfolio.

In 2020, MPHA is on pace to convert (or will have recently converted) 736 units of scattered site housing to PBV under Section 18. MPHA will apply its single-fund flexibility to invest in the properties and incorporate the enhanced subsidy into the agency budget. Additionally, in 2020 MPHA will look for opportunities to reposition and augment its scattered site housing through creative redevelopment strategies such as acquiring land adjacent to existing properties and developing small clusters of townhomes or other multi-unit developments. MPHA currently projects creating six units of additional scattered site housing through energy-focused pilot projects that will simultaneously expand the stock.

Longer term, MPHA will continue to consider redevelopment opportunities at its headquarters and maintenance facilities, as well as opportunities for new development at existing MPHA-owned vacant parcels or properties the PHA could acquire. MPHA will convey the uses of this activity in its MTW annual plans and reports.

Immediately upon approval of this activity, MPHA will implement an administrative change suggested to us by our field office to streamline one cumbersome aspect of the development process. HUD currently requires a multi-step process (under the authority of 24 CFR 990.145) under which PHAs request separate approval letters for the field office for any units scheduled to undergo modernization work that requires vacating the unit. By agreement with the field office, MPHA would forego these separate approval letters as a part of this process. MPHA would make its changes in PIC (or any successor system) for these units, and field office staff would review and approve them there (as they do already). This change would apply only to the “Undergoing Modernization” sub-category of PIC modifications. MPHA and our field office may identify further opportunities for streamlining our interactions going forward, under this activity.

### **Authorizations**

Authorizations from Attachment C, Section B.1.b., which enable MPHA to use its Single Fund Budget with Full Flexibility to “provide flexibility in the design and administration of housing assistance...to increase housing choices for low-income families, though activities...including, but not limited to”:

- B.1.b.ii: The “acquisition, new construction, reconstruction or moderate or substantial rehabilitation of housing,” including a non-exhaustive list of specific activities that includes real property acquisition, site improvement, and financing.
- B.1.b.v: The provision of safety, security, and law-enforcement measures and activities to protect residents of housing from crime.
- B.1.b.vi: The provision of Housing Choice Voucher assistance or project-based rental assistance alone or in conjunction with other private and public sources of assistance.
- B.1.b.vii: The preservation of public housing and/or Housing Choice Voucher units and/or development of new units for people of low income.
- B.1.b.viii: Use of housing assistance payments for purposes other than payments to owners (including support of the activities discussed in B.1.b.ii and B.1.B.vii).

Authorizations from Attachment C, Section B.2, under which “the Agency may partner with for-profit and non-profit entities” and “make available to agency partners the least-restrictive regulatory requirements allowable based on” MPHA’s MTW participation.

Authorizations from Attachment C, Section C, which provide flexibility in specific aspects of real estate activity related to public housing:

- C.7.a: Simplification of the Development and Redevelopment Process for Public Housing, under which authorizations and regulatory relief granted the agency inure to the benefit of the Agency’s Partners with respect to MTW-eligible activities.
- C.12: Design Guidelines, to reflect local marketplace conditions so long as all units meet housing quality standards.

- C.13: Site Acquisition, provided the agency certifies HUD site selection requirements have been met.
- C.14: Commercial Business Venture as part of neighborhood revitalization, affordable housing, or other strategies designed to serve as catalysts for revitalization of public housing or surrounding communities.
- C.15: Making agency property, including dwelling, non-dwelling, and vacant land, available for the purpose of providing services, programs, and capital improvements that benefit residents.
- C.16: Establishing reasonable cost formulas for development and redevelopment activities that replace HUD's Total Development Cost limits to reflect local marketplace conditions for quality construction.

The authorization from Attachment C, Section D.1.f., under which the housing authority may provide (project-based) voucher funding to types of units otherwise excluded from Section 8 regulations. (May be used to create or preserve housing in the context of unique partnerships and unconventional development opportunities).

Authorizations from the Second Amendment to MPHA's MTW Plan, whereby the agency "may use MTW funds to provide housing assistance for low-income families...whether or not any such use is authorized by Sections 8 or 9 of the 1937 Act, provided such uses are consistent with other requirements of the MTW statute."

*These authorizations waive, as necessary, certain provisions of 24 CFR 941 as necessary, including 941.202, 203, 306, 401, and 403; 24 CFR 941 Subpart F; 24 CFR 990 Subpart B as necessary, including 990.145; 24 CFR 983.53 and 54; 24 CFR 982 Subparts H and M as necessary.*

**HUD Standard Metrics**

<b><i>HC#1: Additional Units of Housing Made Available</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
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)	0	6 (Family Housing)		
<b><i>HC#2: Units of Housing Preserved</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
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.	0	910 (Seniors, disabled, families with children)		
<b><i>HC #7: Households Assisted by Services that Increase Housing Choice</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase housing choice (increase).	0	915		

Source: Internal agency data

## Flexible Subsidy for Community Priorities (2020 – 3)

**Objective:** Housing Choice

### Description

Traditional federal housing programs lack the flexibility and speed to meet the needs of low-income households facing housing crises. Nor do they offer the ability to customize housing assistance to address specific community needs (such as eviction, foreclosure, health, or safety) or to provide funding to partners who have the networks and expertise to reach target populations.

MPHA will design and implement local, non-traditional (LNT) models of housing support and alternative subsidy arrangements to extend our reach to new families and meet these needs. The components will vary depending upon the need and objective, including combinations of flat subsidy, term-limited subsidy, and step-down subsidy. Subsidies may be directly administered by MPHA, or a sponsor-based LNT or project-based setting. In some cases, MPHA may mobilize to address acute eviction or homelessness crises in Minneapolis. In others, the agency may launch limited programs with a research objective to understand how specific terms or structure sustain longer-term housing stability. As community needs arise, MPHA will articulate the details of specific programs in its MTW plans and reports.

The primary MTW components of this activity are:

- Single Fund Flexibility, by which MPHA will apply its single fund to serve families in a non-traditional program;
- Broader Use of Funds, whereby MPHA funds and/or administers programs that are neither Section 8 nor Section 9;
- Programmatic authorizations pertaining to Section 8 (relevant when applying flexibilities in a project-based voucher context).

### Schedule and Impact of Activity

MPHA is applying for a grant to work with partners to identify and serve families at high risk of involvement by child protective services—an identified community need. If we receive the grant, MPHA will explore offering flexible subsidies to identified families to stabilize their housing situations and also reduce the likelihood of child-welfare intervention. The profile of these subsidies (potentially flat, term-limited, and/or sponsor-based) makes them a proper fit for this activity. (Est: 10 families)

MPHA will also employ it to provide term-limited, flat housing subsidy in the event of urgent eviction crises identified by MPHA and local government partners. (Est: 10 families)

By design, this activity supports MPHA's ability for rapid response, as needs or ideas arise. Accordingly, MPHA intends to implement the activity in 2020 to have it ready as needed in additional, urgent contexts.

**Authorizations**

Authorizations from **Attachment C, Section B.1**, which enable MPHA to use its Single Fund Budget with Full Flexibility to “provide flexibility in the design and administration of housing assistance...to increase housing choices for low-income families, though activities...including, but not limited to”:

- B.1.b.iii: The provision of housing, employment, or case-management services.
- B.1.b.viii: Use of housing assistance payments for purposes other than payments to owners (including support of the activities discussed in B.1.b.ii and B.1.B.vii).

Authorizations from **Attachment C, Section B.2**, under which “the Agency may partner with for-profit and non-profit entities” and “make available to agency partners the least-restrictive regulatory requirements allowable based on” MPHA’s MTW participation.

Authorizations from **Attachment C, Section D**, related to Housing Choice Vouchers (applicable in PBV scenarios):

- D.1. Operational Policies and Procedures
- D.2 Payment Standards, rents or subsidy levels (2.a.); Contract Rents (2.b.)
- D.2.d Term Limits
- D.3 Eligibility
- D.4 Waiting List Policies

Authorizations from the **Second Amendment to MPHA’s MTW Plan**, whereby the agency “may use MTW funds to provide housing assistance for low-income families...whether or not any such use is authorized by Sections 8 or 9 of the 1937 Act, provided such uses are consistent with other requirements of the MTW statute.”

*These authorizations waive, as necessary, 24 CFR 982.162, 982.303, 982.309, 983 Subpart F, 982.508, 982.503, 982.518, 982.308, 982.452, 983 Subpart E, 982 Subpart L, 5.603, 5.609, 5.611, 5.628, 982.201, 982.516, 982 Subpart E, 982.305.*

**HUD Standard Metrics**

<b>HC#1: Additional Units of Housing Made Available</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
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)	0	0		

<b>HC#2: Units of Housing Preserved</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
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.	0	20 (Generally, families with children)		
<b>HC #4: Displacement Prevention*</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households at or below 80% AMI that would lose assistance or need to move (decrease). If units reach a specific type of household, give that type in this box.	0	0		
<i>*This metric would apply narrowly, in instances where MPHA intervention prevented eviction and/or preserved deep affordability where it would have been lost by the private market.</i>				
<b>HC #7: Households Assisted by Services that Increase Housing Choice</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase housing choice (increase).	0	20		

Source: Agency and program data

## IV. Approved MTW Activities

### Implemented Activities

	<i>Approved</i>	<i>Implemented</i>
Asset Verification	2018	2018
Biennial Income Recertification (Public Housing)	2018	2018
Conversion of Subsidy and Capital for MHOP Units	2018	2018
Goal-Oriented Housing Initiative	2018	2018
Lease-to-Own Initiative	2010	2012
Local Project-Based Voucher Program	2018	2018
Low-Rent Annual to Three-Year Certifications	2009	2010
Minimum Rent Initiative for Public Housing Residents	2010	2011
Mobility Voucher Program	2009	2010
Permanent Supportive Housing for Youth	2016	2016
Property Owners Incentive Program	2018	2018
Public Housing Working Family Incentive	2010	2011
Rent Reform Initiative	2014	2014
Replace the Form of the DOT with a LURA	2019	2020
Shelter to Home – Public Housing	2015	2017

### Activities Not Yet Implemented

#### Activities On-Hold

	<i>Approved</i>	<i>Implemented</i>	<i>On-Hold/Closed</i>
Alternate Income Verifications	2013	N/A	2017
Public Housing Earned Income Disregard	2009	2010	2017

#### Closed-Out Activities

##### *Closing in 2020:*

Conversion of 312 Mixed-Financed PH Units to PBV	2010	2019	2020
Reintegration of Offenders	2016	2017	2020
Shelter to Home – Project-Based Vouchers	2016	2016	2020
Soft-Subsidy Initiative	2011	2013	2020
Targeted Project-Based Initiative	2011	2012	2020

##### *Previously Closed:*

Absence from Unit Initiative	2011	2011	2017
Biennial HQS Inspections	2012	2012	2014
Block Grant & Fungible Use of MPHA Resources	2009	2009	2017
Combine Homeownership Programs	2009	2009	2012
Earned Income Disallowance Simplification – HCV	2012	2012	2016
Foreclosure Stabilization PBV Demonstration Program	2010	2011	2017
MPHA/Hennepin County Transitional Housing	2013	2014	2016
Public Housing Self-Sufficiency Program	2009	2009	2012

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*The MPHA MTW Annual Plan and activities therein are approved, authorized, and implemented in accordance with the MTW Demonstration Program's enabling laws and related regulations, and the terms and conditions of its Amended and Restated MTW Agreement with the Department of Housing and Urban Development. MPHA's MTW Agreement governs and supersedes, as appropriate, applicable Federal laws, rules, regulations, contracts, and agreements that have been or will be waived and/or modified by the MTW Agreement.*

## A. IMPLEMENTED ACTIVITIES

### Asset Verification (Activity 2018 – 4)

Approved and implemented, 2018

#### Description/Update

MPHA modified the definition of annual income to exclude income from assets valued at \$50,000 or less. In cases where household assets are valued at more than \$50,000, MPHA calculates and counts 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. By eliminating a time-consuming process that has shown only a marginal positive impact on MPHA revenues, MPHA anticipates this change will save the agency time and overall allow more cost-effective utilization of its resources.

In 2018, MPHA began phasing this change in at each scheduled or interim rent redetermination. At this pace, it will be fully implemented in three years.

#### Changes to Activity/Metrics/Data – Planned (Annual Plan) or Actual (Annual Report)

MPHA does not plan any changes to this activity in the plan year.

## **Biennial Income Recertification for Public Housing (2018 – 3)**

Approved and implemented, 2018

### **Description/Update**

This initiative changed income certification of non-elderly, non-disabled families to every other year, rather than annually. (MPHA already certified families who are elderly or disabled, and who are on a fixed income, every three years.) Residents may still request interim recertifications or utilize a hardship policy if they believe they are adversely affected by the biannual schedule. The change is intended to save the agency time and allow more cost-effective utilization of its resources. This activity will reduce the number of annuals done per Eligibility Technician (ET), allowing the ETs to follow up on long-term minimum-rent-payers and interim recertification requests. By allowing residents to retain more earnings in the near term, we also anticipate that the change may encourage modest increases in earned income by public housing residents, contributing to greater self-sufficiency.

In 2018, MPHA began phasing in the implementation of this initiative at each new, interim, or recertification. Upon full implementation at the end of 2019, we estimate 850 residents will benefit from this MPHA activity annually. We logged substantial cost and time savings in the first year.

### **Changes to Activity/Metrics/Data – Planned (Annual Plan) or Actual (Annual Report)**

MPHA does not plan any changes to this activity in the plan year.

## **Conversion of Public Housing Operating Subsidy and Capital Funds for MHOP Units (2018 - 5)**

Approved and Implemented, 2018

Integrates Prior Activity: *Conversion of Mixed-Finance Public Housing Units to PBV (2010-3)*

### **Description/Update**

MPHA holds the ACC for 106 units of public housing in 16 cities in the Metropolitan Housing Opportunity Program (MHOP), as well as 200 mixed-finance units at Heritage Park in Minneapolis. MPHA neither owns nor manages these units. These units were created under the *Hollman v. Cisneros* Settlement Agreement. This MTW activity seeks to use MTW authority to pursue long-term solutions for these properties with an unusual pedigree and management/subsidy structure.

The process of managing and operating public housing has proven onerous and costly for property owners of the dispersed MHOP units. These entities have significant staff turnover and MPHA must provide considerable time, resources, and support to continually train providers related to HUD public housing requirements. At Heritage Park, the original compliance period has expired and we must explore a transition of the property that preserves the deeply affordable housing there and protects families. We neither intend nor anticipate any disruption to residents, including temporary or permanent displacement as a result of the process.

For the 106 MHOP units, MPHA will work with HUD to operationalize a conversion of the Public Housing Operating Subsidy and Capital Funds for this AMP to project-based vouchers (PBVs). By converting these units to PBVs, tenants, owners, and MPHA will receive the rewards of increased cost-effectiveness. HUD currently has a process for this transfer of funds under the RAD program. However, the small number of units (4 -13 units per property) across 16 different entities is not conducive to a RAD and/or Voluntary Conversions where there are extensive costs related to such conversions.

In 2017 we began negotiations with the current owner and manager of Heritage Park to determine the future ownership and management of those units. This discussion is complex and extended. We are closely watching policy developments at HUD and in Congress around RAD and other yet-to-be-determined paths for conversion.

### **Changes to Activity/Metrics/Data– Planned (Annual Plan) or Actual (Annual Report)**

In 2020, this activity has been merged with activity 2010 – 3, which was fundamentally the same (one activity included the full set of MHOP units; another pertained only to the subset of these at Heritage Park). We have combined the activities to simplify tracking and reporting, and will close out activity 2010-3 in the 2019 MTW Annual Report. We have also shortened the name of this activity, which used to conclude with the phrase “to Housing Choice Voucher funding.” While the potential conversion to PBVs is still explained in the narrative, this phrasing in the title was overlong and more confusing than helpful, given the changing landscape of federal programs and potential paths for these properties.

Neither of the two now-merged activities changes significantly in the consolidated narrative above.

## Goal-Oriented Housing Initiative (2018 – 2)

Approved and Implemented, 2018

Integrates Prior Activities: *Reintegration of Offenders (2016-2)*; *Soft Subsidy Initiative (2011-2)*

### Description/Update

Goal-Oriented Housing encompasses an agency-wide effort to use specific participation goals and incentives that encourage families to take part in education, training, and/or employment opportunities. MPHA will use flexible voucher subsidies and rent incentives to public housing families and HCV participants, including workforce housing opportunities tied to services and supports provided by partner organizations. Partners will commit to provide services and supports to MPHA public housing residents and HCV participants and coordinate with MPHA on establishing success measures.

Participation in Goal-Oriented Housing programs will be voluntary. MPHA anticipates targeting these initiatives to households in the best position to benefit from it. Examples could include:

- Strategically identify existing public housing units located in areas close to services, supports and employment opportunities of partners. The units can be reserved for public housing families who commit to the program. MPHA may work with various partners to set aside public housing units near education and training centers that will be reserved for participants in programs offered by the partner organization.
- Establish specific program participation requirements tied to partner programs and supports as well as other requirements necessary to demonstrate progress in meeting program goals.
- Explore creation of a workforce housing development at MPHA properties and/or create a new workforce development in concert with MPHA partners.
- Offer priority for participation in this program to the 500+ HCV families with children whose Head of Households are neither elderly nor disabled and who have no earned income.
- Create expanded - flexible voucher subsidy allocations that can respond to specific participant and possible partner needs that incentivize participation by HCV holders (these subsidies may be tailored to the individual needs of the participant).
- Explore home ownership vouchers as incentives.
- Consider setting aside or creating sponsor-based subsidy programs to better coordinate with partner programs and services.
- Make available local project-based vouchers targeted at developments near partner services and supports.

Program elements could include:

- A. Partnerships with:
  - Schools – pre, elementary and middle, secondary and post- secondary
  - Supportive services providers
  - Vocational skills providers

- Employment providers
- B. Tenant/participant savings initiatives
- C. Special incentives, including:
- Priority for flexible vouchers for successful graduates who secure a job in an area that requires a move
  - Rent reductions/income disregards for employment, childcare and/or education and training support
  - Parent rewards for participating in school (family conferences, PTO activities or other school-family initiatives)

Specific program guidelines, training opportunities, and participant incentives will arise from conversations with service-provider partners and market research to understand the needs of potential participants.

**Stable Homes Stable Schools:** In 2018, we developed the first initiative under this activity, which will begin serving families in 2019. The “Stable Homes, Stable Schools” program is a partnership with the City of Minneapolis and the Minneapolis Public Schools to provide rental assistance and supportive services to families of elementary students experiencing homelessness. MPHA and the city jointly fund rental assistance for families identified by caseworkers at schools where the challenge is greatest.

Hennepin County and a social services partner, the Twin Cities YMCA, provide a web of ongoing supports. Parents commit to engagement in their child’s education. A local foundation has also entered the partnership to fund services for families identified as at-risk of homelessness. The partners will work with researchers at the University of Minnesota to monitor outcomes and program success.

The number of families served will be modest to start, and gradually increase as the partners build up our experience with the program. At the time of this drafting, we had received referrals of almost 60 eligible families (with almost 200 children), eight of whom had been successfully housed. In 2020, we expect a steady growth in referrals, and a continued push to find them homes through active outreach to property owners. In 2020 we also expect to add computer and internet-connectivity support for enrolled families, to help students close the digital divide. The maximum number of families envisioned by the program over its initial three-year commitment is 320.

**Great River Landing:** *We are integrating this partnership (initially established under MTW Activity 2016-2, Reintegration of Offenders) under Goal-Oriented Housing going forward.* The intentions and execution of the Great River Landing project are a perfect fit for the Goal-Oriented Housing framework. Great River Landing is a project-based voucher partnership focused on ex-offenders committing to a program of job-training and employment. To date, the initiative took the interim form of a sponsor-based arrangement while the Great River Landing facility was under construction. We expect it to open by 2020, at which point MPHA will enter into the long-term, project-based voucher form of subsidy. MPHA has committed 40 vouchers to the 72-unit development. In addition to stable housing and access to employment

resources, the partner organizations (Better Futures Minnesota and Beacon Interfaith Housing Collaborative) will provide social and supportive services that will help the men reunify with their families and establish civic pride and ties to their communities once they enter the program.

*NOTE: This activity also integrates the concept and authorizations from a previously implemented but currently inactive activity. Activity 2011-2 (Soft Subsidy Initiative) was narrowly drafted many years ago for a specific partner; it shares the intent but lacks the scope of Goal-Oriented Housing. Activity 2011-2 will be closed as of 2020 and incorporated into this newer activity.*

### **Changes to Activity/Metrics/Data – Planned (Annual Plan) or Actual (Annual Report)**

For 2020, this activity will incorporate MPHA's *Reintegration of Offenders* activity (2016-2) and *Soft Subsidy Initiative* (2011-2). The intent and scope of these earlier activity are entirely aligned with the premise of Goal-Oriented Housing. Accordingly, Activities 2016-2 and 2011-2 will be closed in 2020.

Authorizations from Activities 2016-2 and 2011-2 will port over to this activity. These authorizations are fully consistent with the types of projects and partnerships envisioned under Goal Oriented Housing; they might reasonably have been included at the outset and will strengthen the capacity of Goal-Oriented Housing to serve future families. These are:

The Authorizations from **Attachment C, Section D** related to Operational Policies and Procedures under the voucher program:

- D.1. Operational Policies and Procedures
- D.2 Payment Standards, rents or subsidy levels (2.a.); Contract Rents (2.b.)
- D.2.d Term Limits
- D.3 Eligibility
- D.4 Waiting List Policies

Authorizations from the **Second Amendment to MPHA's MTW Plan**, whereby the agency "may use MTW funds to provide housing assistance for low-income families...whether or not any such use is authorized by Sections 8 or 9 of the 1937 Act, provided such uses are consistent with other requirements of the MTW statute."

MPHA does not plan any changes to the metrics or data in the plan year. Benchmarks, as reflected in the MTW Annual Report, will reflect the incorporation of activities 2016-2 and 2011-2.

## **Lease-To-Own Initiative (2010 – 4)**

Approved in 2010, Implemented in 2012

### **Description/Update**

MPHA utilized funds from its American Recovery and Reinvestment Act grant to purchase 20 townhome units (the Sumnerfield Townhomes) for the creation of a Lease-to-Own initiative. MPHA's initial target audience for this initiative was qualified public housing residents, Housing Choice Voucher participants, families on MPHA's waiting lists, and MPHA and City of Minneapolis employees who qualify for public housing. MPHA later broadened the eligibility to include other low-income, first-time homebuyers.

Participants rent these units as public housing residents, with a requirement to purchase within five years. MPHA offers advantageous terms for families that close within two years. MPHA works with participants on achieving the homeownership goal, although participants are ultimately responsible for achieving mortgage-readiness and securing financing. MPHA escrows a portion of each month's rent (as a contribution toward a down-payment) and matches up to \$1,500 in documented personal savings.

In 2018, MPHA completed a thorough review of the program including the selection criteria, case management, and homeownership counseling. We updated the program's supporting procedures and entered an MOU with Habitat for Humanity to provide homeowner-readiness counseling and mortgage financing options. All new entrants to the program must qualify for and enroll in the Habitat program. MPHA has sold eight units of the original 20; the pace has slowed amid turnover of original occupants who reached the five-year limit without purchasing, and the 2018 program update. We anticipate at least one closing in 2020 and will continue to work closely with families to achieve their goals.

### **Changes to Activity/Metrics/Data– Planned (Annual Plan) or Actual (Annual Report)**

MPHA does not plan any changes to this activity in the plan year.

## Local Project-Based Voucher Program (2018 – 6)

Approved and Implemented: 2018

Integrates Prior Activities: *Shelter to Home - Project-Based Vouchers (2016-1)*; *Targeted Project-Based Initiative (2011-1)*

### Description/Update

Pursuant to Attachment C Section 7 of the Amended and Restated Moving to Work Agreement, MPHA has adopted its own local MTW Section 8 Project-Based Program. This includes the following:

- Project-basing Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing, subject to HUD’s requirements regarding subsidy layering.
- Adopting a reasonable competitive process or utilize an existing local competitive process for project-basing leased housing assistance at units that meet existing Housing Quality Standards, or any standards developed by the Agency.
- 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.
- Waiving the caps on the proportion of a development that may be project-based; waiving the caps on allocation of MPHA’s voucher program budget authority to PBVs.
- The option of owner-managed, site-based waiting lists (SBWL) and site-based administration for its project-based developments. Owners will be required to develop and obtain MPHA approval on tenant selection plans, including establishing guidelines for selection from the waiting list, screening, re-exams and transfers.
- The application of relevant MPHA policies to the Local PBV program, including MTW authorizations under MPHA’s approved Housing Choice Voucher Rent Reform activity (2014 – 1) and continuation of certain public housing lease, grievance, and due process-related provisions at properties that have undergone subsidy conversion.

The first initiative under this activity was the launch of MPHA’s open-ended PBV Request for Proposals (RFP) in 2018. Through the RFP, MPHA can strategically place up to 400 vouchers—including veterans (VASH) and non-elderly disabled (“mainstream”)—in ways that align with the values and needs of the community, while achieving maximum return in creating additional affordable housing. MPHA continues to evaluate and make ongoing awards under the open PBV RFP. In 2020, MPHA expects to project-base for the first time at properties owned by the agency, following subsidy conversions under RAD and Section 18. MPHA will also consider expanding the PBV RFP in 2020 to add VASH and Mainstream vouchers to the mix of units available to developers.

*NOTE: In 2017, HUD released PIH Notice 2017-21 Implementation Guidance: Housing Opportunity Through Modernization Act of 2016 (HOTMA) – Housing Choice Voucher (HCV) and Project-Based Voucher (PBV) provisions, which provides guidance to technical corrections and changes to the programs. Based on HUD approval of this activity and its applicable PBV Program wavers, MPHA plans to exceed program cap limits, percent increase, project cap limits and similar limitations outlines in HOTMA.*

### **Changes to Activity/Metrics/Data – Planned (Annual Plan) or Actual (Annual Report)**

MPHA is updating this activity to waive the project and budget caps on project-basing, so that we can exercise the flexibility to implement our PBV program to best meet the needs of our community. We follow multiple MTW agencies in doing so, adopting the approach of the King County Housing Authority and others who include this waiver as a component of a *Local PBV Program* activity such as this one. Accordingly, this plan update activates the authorization under **Attachment C, Section D.1.e**, under which “The Agency is authorized to determine the percentage of housing voucher assistance that it is permitted to project-base and criteria for expending funds for physical improvements on those units,” waiving Section 8(o)(13) of the 1937 Act and 24 CFR 983 as necessary.

This narrative adds language relating to site-based waiting lists, as authorized under existing statute (HOTMA). We are offering the language here solely for clarity and to promote understanding that they are a component of our Local PBV efforts. Similarly, we have added clarifying language to be explicit that MPHA’s approved Rent Reform Initiative activity, which applies to all project-based voucher contexts, also applies here, and that MPHA may carry forward certain lease provisions to the extent permissible under program regulations.

A version of this activity prior to implementation stated MPHA’s intent to provide current HCV waiting list applicants an opportunity to apply to PBV site-based waiting lists. In developing and implementing our RFP process, it became evident that this approach would not best serve MPHA and our PBV partners. The activity narrative no longer includes this language.

For 2020, this activity (2018-6) will subsume the initiatives previously carried under two approved MTW activities: *Shelter to Housing PBV (2016-1)* and *Targeted Project-Based Initiative (2011-1)*. The narrow actions envisioned by these older activities are fully covered by the broader open PBV RFP established under this (newer) activity. Both activities will be closed in this 2020 plan: Activity 2011-1 was essentially a one-time project that ran its course some years ago; anything similar done today would unfold under the auspices of the RFP; Activity 2016-1 has one partner, which will continue as an ongoing part of MPHA’s PBV program. Were we to add others under this activity’s homelessness-focused concept, we could do so under the new RFP.

There are no changes to metrics or data.

## **Low-Rent Annual to Three-Year Certifications (2009 – 2)**

Approved in 2009, Implemented in 2012

### **Description/Update**

MPHA recertifies every three years (instead of annually) elderly, disabled or other public housing residents who are on a fixed income and whose sources of income are not likely to change for extended periods of time. MPHA anticipates 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.

This activity has the highest impact on our highrise residents. Changing the annuals to every three years for Elderly and Disabled and residents with a stable income has allowed staff to concentrate their efforts on residents with substantial rent changes. MPHA runs HUD Enterprise Income Verification (EIV) reports every three months for our minimum renters and continues to run the EIV reports for tenants who are not required to do their annual certification in the current year.

MPHA continues interim recertifications for any household that is required to be recertified or who requests recertification due to a change in circumstances.

### **Changes to Activity/Metrics/Data– Planned (Annual Plan) or Actual (Annual Report)**

MPHA plans no changes to this activity in the plan year.

## **Minimum Rent Initiative for Public Housing Residents (2010 – 2)**

Approved in 2010 and Implemented in 2011

### **Description/Update**

Tenants moving into public housing whose calculated rent is less than the minimum rent, pay the minimum rent that is in effect at the time of lease-up. This initiative increased the minimum rent of existing tenants at the first annual or interim re-exam after implementation. The initiative was implemented to promote self-sufficiency and increase rental income.

### **Changes to Activity/Metrics/Data– Planned (Annual Plan) or Actual (Annual Report)**

MPHA does not plan any changes to the activity in the plan year.

## **Mobility Voucher Program (2009 – 6)**

Approved in 2009, Implemented in 2010

### **Description/Update**

MPHA created a Mobility Voucher program to encourage low-income families to move to communities of greater opportunity that are not impacted by concentrated poverty or race and 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 is structured to increase housing choices for families on the MPHA Section 8 Waiting List and current program participants who live in Areas of Concentrated Poverty and who are willing to move into non-concentrated areas (also referred to as "areas of opportunity").

We serve families under the Mobility Program by a) offering incentives and enhanced support to help families find and keep homes in areas of opportunity within the City of Minneapolis, and b) allowing participant families to lease a unit outside the City of Minneapolis, provided the unit is located in an area of opportunity. 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 three years they are under the Contract of Participation with the receiving housing authority.

In 2015, the Mobility Voucher Program was redesigned to offer material incentives to the program such as security deposit assistance, application fee assistance, higher payment standards, bus cards, and moving assistance. In 2016 and 2017, MPHA hired a Mobility Community Services Coordinator and began implementing strategies recommended by a report from the Family Housing Fund, *Enhancements and Best Practices Designed to Expand Resident Choice and Mobility in Minneapolis*. In 2018, MPHA completed a rent study to better understand rental trends in the marketplace and inform data-driven decisions on where to adjust our payment standards. MPHA intends to implement these area rents in ways that allow families to stretch their voucher further, living where they can maximize their chances for success and the success of their children.

In 2020, it is possible our mobility efforts under this activity could be synced with work we might undertake on a regional mobility partnership with the Metropolitan Council Housing and Redevelopment Authority (Metro HRA). This development will depend upon the status of our application to form a Regional MTW Agency with Metro HRA, currently pending at HUD.

### **Changes to Activity/Metrics/Data – Planned (Annual Plan) or Actual (Annual Report)**

This activity was renamed simply "Mobility Voucher Program," from "HCV Mobility Voucher Program." MPHA does not plan any changes to this activity in the plan year.

## **Permanent Supportive Housing for Youth (2016 – 3)**

Approved in 2016, Implemented in 2016

### **Description/Update**

The City of Minneapolis has a significant need for permanent supportive housing for homeless youth. Two local partners, Project for Pride in Living (PPL) and YouthLink, worked together to build a new facility to provide supportive housing for 46 homeless youth (ages 18-23). MPHA committed 25 project-based vouchers for a period of 20 years. The facility, called Downtown View, opened in February 2018.

YouthLink and PPL provide educational support, job training, and other supportive services. These services are led by a program supervisor, responsible for overall service delivery and outcomes. Other key personnel include a resident advisor who lives on-site and troubleshoots crises that may occur outside of typical office hours, and case managers who help young people connect to community and Youth Opportunity Center resources based on individual aspirations and life goals. Case managers also help them navigate the often-difficult system of community-based adult services such as education, employment, and independent housing.

Youth pay 30% of their incomes toward their housing. The youth served come to the program via the Hennepin County Coordinated Entry system for sheltering the homeless, with intake administered by Youthlink. MPHA operates under an agreement with PPL and YouthLink that details funding and operational requirements of the program along with the reporting requirements.

### **Changes to Activity/Metrics/Data– Planned (Annual Plan) or Actual (Annual Report)**

None.

## Property Owners Incentive Program (2018 – 1)

Approved and implemented, 2018

### Description/Update

MPHA and the City of Minneapolis are partnering to fund and administer incentives that encourage property owners to accept Section 8 Housing Choice Vouchers (HCVs). With these incentives, MPHA and the city intend to reassure property owners that have not partnered in the HCV program, especially due to past challenging experiences, that their concerns can be addressed or mitigated. MPHA anticipates these incentives will increase the number of property owners that participate in the HCV program, leading to increased housing choice for families with vouchers—particularly in areas of greater opportunity.

The incentives, covered under a Memorandum of Understanding with the city, include:

Property damage protections: The city will protect property owners by covering tenant damage claims that exceed the security deposit, up to \$2,500. MPHA will manage the funds and work with the city to evaluate claims.

Property Owner Holding Fee: MPHA will make a payment of a Holding Fee of up to \$500 to the property owner to hold an approved unit for an eligible participant while awaiting the release of a pro-rated rental subsidy.

First Time HCV Property Owner Incentive: Property Owners receive a one-time, \$250 incentive fee when they rent to a voucher holder for the first time.

MPHA processes and pays claims and receives reimbursement from the city for the city's portion (50 percent). MPHA began processing incentive payments in mid-2018, paying out \$8,000 in new-owner incentives by year-end. There were no payments for damage protection or the holding fee. Anecdotally, owners have mentioned that the existence of the program—whether they received payments or not—has had a positive affect on their working relationship with MPHA.

The program is considered a pilot, with a length to be determined by the draw-down of the initial \$50,000 funding pool. We will monitor claim patterns and the draw-down of the pool. At or before the pilot's conclusion, the city and MPHA will jointly reassess the success of the incentives and potential adjustments. The partners may use a community review process and on-going surveys of current and potential owners to adapt or to design new incentives under this initiative.

### Changes to Activity/Metrics/Data– Planned (Annual Plan) or Actual (Annual Report)

MPHA does not plan any changes to this activity in the plan year.

## **Public Housing Working Family Incentive (2010 – 1)**

Approved and Implemented in 2011

### **Description/Update**

The rent calculation includes an automatic 15 percent deduction from the gross annual earned income of a working family, defined as any family where earned income of any amount is part of the rent calculation. This deduction provides the working family with available money to support work-related costs such as transportation, uniforms, and health insurance premiums.

MPHA had has seen good results under this initiative, with annual increases in the number of households employed and increases in the income of these households. These outcomes improve the likelihood that the family would achieve a livable wage and move toward self-sufficiency.

This is a rent reform initiative. MPHA has received no requests for hardship exceptions.

### **Changes to Activity/Metrics/Data– Planned (Annual Plan) or Actual (Annual Report)**

MPHA plans no changes to this activity in the plan year.

## Rent Reform Initiative (2014 – 1)

Approved and Implemented in 2014

### Description/Update

The goal of rent reform was to streamline and simplify the rental subsidy determination and recertification processes, promoting self-sufficiency for participants while saving costs and allowing us to more serve more families from our waitlist. With the advent of federal sequestration in 2013, the focus shifted to maintaining assistance for all current families within a severely decreased budget.

MPHA's rent reform initiative includes the following elements, further details of which are included in MPHA's Operational Policies:

- a) **Flat Subsidy:** MPHA replaced the standard rent calculation method with a simplified, flat subsidy model that incorporates consideration for tenant-paid utilities. We aspire to present the HAP amounts in a way that gives families a clear understanding of how much they will receive, allowing them to make a more informed decision of where they could move.
- b) **Minimum Rent:** As part of the flat subsidy model, MPHA revised the application of minimum rent policies. If a participant's calculated rent amount is less than the minimum rent amount, the participant pays the minimum rent to the owner.
- c) **40 Percent Affordability Cap:** MPHA eliminated the 40 percent affordability cap 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 percent of their monthly adjusted income without supervisory review and approval.
- d) **Revised Asset Income Calculation and Verification Policies:** When the market value of a family's assets is below an established asset threshold, 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. HCV households may self-certify when the market value of the household's total assets is below the established threshold.
- e) **Interim Re-examinations:** MPHA limits HCV families to one discretionary interim re-examination between regular annual recertifications. Between annual recertifications, household members who are employed are not required to report increases in earned income. Unemployed household members must report any subsequent employment. Increases in unearned income for any household member and changes in household composition must still be reported.
- f) **Working Family Incentive and Streamlined Deductions and Exclusions:** MPHA has eliminated childcare, medical expenses, and dependent deductions from the calculation of adjusted income. To lessen the impact of these changes, MPHA continues to administer the Working Family Incentive and increased the standard elderly/disabled deduction. MPHA excludes all income for adult, full-time students (other than the head of household, co-head, or spouse).

- g) Changes in Fair Market Rents (FMRs):** MPHA waived the requirement that the agency conduct reasonable rent determinations on all HCV units when there is a five percent year-over-year decrease in the FMR in effect 60 days before the contract anniversary. MPHA conducts reasonable rent determinations at the time of initial lease-up, at the time of owner rent increases, and any other times deemed appropriate by MPHA. MPHA conducts research and market analysis on local rents. In 2020, we intend to explore updating our payment standards to reflect this local market analysis as way of increasing choice for families.
- h) Flat Subsidy Reasonable Accommodation:** As a reasonable accommodation for individuals with qualifying disabilities, MPHA may provide a higher subsidy for accessible units.
- i) 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.
- j) Mitigating rent increases in cases of subsidy conversion:** MPHA may mitigate and/or phase in rent increases for households that formerly lived in Section 9 public housing and moved to MPHA's PBV program through a subsidy conversion program (such as RAD or Section 18), as permitted under the MTW Agreement and program regulations.

*NOTE: 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 all other aspects of HCV rent reform.*

*NOTE: MPHA's Rent Reform activity and authorizations may be applied to all Section 8-funded voucher-types, as specified under MPHA's Statement of Policies and any relevant procedures. This includes tenant- and project-based voucher subsidies, including MPHA-controlled properties that have undergone conversion from Section 9 to Section 8 through the Rental Assistance Demonstration or other HUD-approved program, unless otherwise prohibited by HUD pursuant to statutory or regulatory requirements not subject to waiver.*

### **Changes to Activity/Metrics/Data – Planned (Annual Plan) or Actual (Annual Report)**

This activity was renamed "Rent Reform Initiative" from "Housing Choice Voucher Rent Reform Initiative," for simplicity and to provide clarity that rent reform applies to all Section 8-funded vouchers administered by MPHA (unless prohibited by federal law). The narrative also added a paragraph to be clearer on this point, particularly as MPHA in 2020 expects additions to its PBV program in 2020 from Section 9 subsidy conversions.

The narrative is revised to convey that MPHA will no longer restrict portability. (Under the previous practice, participants have been approved to port-out of Minneapolis only for reasons related to employment, education, safety, medical/disability, VAWA, housing affordability, or to move into an Area of Opportunity.)

The narrative adds a new item (Item J) indicating out intent under rent reform to mitigate rent increases for the limited number of PBV participants who will enter that program in 2020 through subsidy conversion programs and might otherwise experience an increase in tenant rent. While abiding by the RAD and any other applicable program rules, MPHA intends to mitigate rent increases upon conversion and maintain rent levels for these households for a reasonable transition period.

MPHA will update this narrative as needed to reflect voucher policy. These updates have no implications for the scope of the activity or its regulatory waivers.

There are no changes to metrics or data collection.

## Replace Form of Declaration of Trust (DOT) with Land Use Restriction Agreement (LURA) to Preserve Public Housing (2019 – 1)

Approved in 2019, Implemented in 2020

### Description/Update:

The exponential growth in capital needs against current and anticipated funding threatens MPHA's ability to responsibly address needs and preserve its portfolio. For certain properties, MPHA will replace the form of Declaration of Trust (DOT) that inhibits the agency's ability to leverage needed capital investment, with a Land Use Restriction Agreement (LURA). This action should help MPHA leverage funds locally and move forward with revitalization of its properties. We will do this while maintaining the long-term affordability of this housing for very low-income families via the LURA.

MPHA has rolled out a Strategic Vision and Capital Plan featuring multiple strategies for preserving its portfolio, including RAD and Section 18. The strategy enabled by this activity may be appropriate in a limited number of cases where these programs are infeasible or undesirable. The replacement of the form of DOT with a LURA should enable MPHA to leverage funds that are not forthcoming from Congress and move forward with preservation activities. In contrast to the DOT, the LURA is a proven tool that is well understood by potential partners.

This initiative will contribute to HUD's emphasis on preservation and capital investment by facilitating that investment while fully protecting current and future residents. Further, it will establish procedural steps and generate insights that will benefit HUD, MPHA, and other PHAs with a similar desire to preserve their portfolios in the future. The proposed form of LURA that MPHA has submitted to HUD for approval would continue to apply applicable public housing requirements to the properties, as modified by any applicable HUD-approved MTW-related changes.

MPHA will implement this activity in 2020 pending resolution with HUD on the form of the template LURA. In the initial year of implementation, MPHA projects applying the activity to no more than 50 units. Based upon a comprehensive assessment of its property needs and values, MPHA has determined that two properties (consisting respectively of six and five contiguous units) might be optimal for this approach in 2020. Pending activity implementation, MPHA would submit to HUD for approval of the replacement of the form of DOT with the LURA in connection with these properties. MPHA will continue to own and manage the properties. No family would need to move or see any change in rent as a result of this action.

Property Name	Property ID	AMP
Bloomington Gardens	89-0001	MN002000002, Scattered Sites
Bloomington Gardens	89-0002	MN002000002, Scattered Sites
Bloomington Gardens	89-0003	MN002000002, Scattered Sites
Bloomington Gardens	89-0004	MN002000002, Scattered Sites
Bloomington Gardens	89-0005	MN002000002, Scattered Sites
Bloomington Gardens	89-0006	MN002000002, Scattered Sites
Linden Hills	52-1316	MN002000002, Scattered Sites
Linden Hills	52-1318	MN002000002, Scattered Sites
Linden Hills	52-1320	MN002000002, Scattered Sites
Linden Hills	52-1322	MN002000002, Scattered Sites
Linden Hills	52-1324	MN002000002, Scattered Sites

*NOTE: HUD staff is considering whether HUD can agree to the replacement of the form of DOT with a LURA along the lines described above under applicable regulations, notably 24 CFR 905.700, "Other security interests" and if necessary 24 CFR 905.108 (definition of "Declaration of Trust", which such a LURA would meet) and 24 CFR 905.318 (requirement to maintain Declaration of Trust). If HUD determines that HUD can do so, MPHA will be able to use such a HUD-approved LURA and this Activity 2019-1 will become unnecessary and will not be implemented. If HUD determines the activity is necessary, HUD and MPHA agree to execute a Community-Specific Authorization that will support the activity.*

#### **Changes to Activity/Metrics/Data – Planned (Annual Plan) or Actual (Annual Report)**

None.

## **Shelter to Home - Public Housing (2015 – 1)**

Approved in 2015, Implemented in 2017

### **Description/Update**

In March 2019, MPHA opened the Minnehaha Townhomes, constructed in partnership with multiple public entities (and one philanthropic contribution). MPHA owns and manages these 16 townhomes for families experiencing homelessness. Families are referrals from the Hennepin County Coordinated Entry homeless shelter system, with the units reserved for families below 30 percent of area median income. The development includes four two-bedroom and 12 three-bedroom units, along with a playground, ample green space, community patio, and storm-water management. Four units are permanent supportive housing, reserved for families experiencing long-term homelessness. The families who live at the Minnehaha Townhomes receive ongoing services from the county.

Under HUD's Faircloth limit, the Minneapolis Public Housing Authority (MPHA) has the authority to operate additional public housing units over its current stock and receive additional subsidy for the units. Another premise proposed under this activity is that MPHA use its MTW authority to work with local affordable housing developers to include homeless-focused Faircloth units in affordable housing projects in the City of Minneapolis, using the Operating Subsidy-Only Mixed Finance Development process. These developments would be dependent upon the developer receiving other non-public housing financing. This concept was not immediately successful. However, MPHA remains open to a partnership along these lines, under the auspices of this activity.

### **Changes to Activity/Metrics/Data– Planned (Annual Plan) or Actual (Annual Report)**

None.

## B. ACTIVITIES NOT YET IMPLEMENTED

None.

## C. ACTIVITIES ON HOLD

### Alternate Income Verifications (2013 – 2)

Approved in 2013, Not Implemented, Placed On-Hold in 2017

#### Description

The purpose of this activity was 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. MPHA proposed that if an applicant was eligible and has income information 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. However, MPHA found in practice that it did not need to implement this initiative to successfully house persons in the agency's new acute assisted living/memory care programs. The activity may, however, be relevant to future efforts.

#### Reactivation Update (Plan) or Actions Taken (Report)

MPHA's plans and timeline are indeterminate at this time. The activity was placed on-hold in 2017, and we continue to assess its future potential need.

#### Changes or Modifications Since Approval

None.

### Public Housing Earned-Income Disregard (2009 – 4)

Approved in 2009, Implemented in 2010, Placed On-Hold in 2017

#### Description

HUD regulations allow families a full income disregard for one year and a 50% disregard for the second year in certain circumstances (including employment of a previously unemployed household member, participation in a self-sufficiency program, and if the household receives welfare payments). As families move in and out of employment, the disregard is postponed. Monitoring this standard arrangement is time consuming and creates administrative hardships that are prone to errors. MPHA created a full two-year income disregard for eligible families, which eliminated the administrative hardship and time-consuming monitoring.

Since implementing this initiative, 353 MPHA residents have completed MTW EIDs. This number reflects the percentage of elderly and disabled residents in our population. However, households who participated in this program had a meaningful incentive to work and continue working as the

EID is targeted to reward families who maintain their employment for a full two years. MPHA also found the initiative reduced staff time and mitigated possible errors as the policy implements EID for two full years without having to deal with the intermittent, cumbersome tracking and communications issues related to the HUD standard 48-month program. Residents reported that they were able to follow and understand this program better.

The activity has been successful. MPHA placed this activity on hold when we judged that we could continue it without MTW authority. However, we believe there may be circumstances in which we would reactivate it in the future.

#### **Reactivation Update (Plan) or Actions Taken (Report)**

MPHA's plans and timeline are indeterminate at this time. The activity was placed on-hold in 2017, and we continue to assess its future potential need.

#### **Changes or Modifications Since Approval**

None.

## D. CLOSED OUT ACTIVITIES

### *Activities for closure in 2020*

#### **Conversion of Mixed-Finance Public Housing Units to PBV (2010 – 3)**

Approved in 2010, Implemented in 2019, Closed in 2020

##### **Explanation for Closure**

In the 2020 MTW Annual Plan, MPHA is consolidating this activity with another that was fundamentally the same, *Conversion of Public Housing Operating Subsidy and Capital Funds for MHOP Units (2018 - 5)*. One activity pertained to a subset of properties of the other, which was redundant and potentially confusing. The core of both activities was to operationalize subsidy conversion programs for units in the Metropolitan Housing Opportunities Program (MHOP), which are owned and managed by third parties and created under the *Hollman v. Cisneros* Settlement Agreement. MPHA is continuing the initiative envisioned under 2010 – 3, now under the auspices of 2018 – 5.

## Reintegration of Offenders (2016 – 2)

Approved in 2016, Implemented in 2017, Closed in 2020

### Explanation for Closure

We are integrating this partnership under a newer MTW activity going forward: *Goal-Oriented Housing (2018-2)*. The intentions and execution of the *Reintegration of Offenders* (also known as *Great River Landing*) project are a perfect fit for MPHA's Goal-Oriented Housing framework. The authorizations and scope of this earlier activity are entirely contained within the intent and authorizations of Goal-Oriented Housing. Accordingly, Activity 2016-2 will be closed in 2020.

*Background:* Great River Landing is a project-based voucher partnership focused on ex-offenders committing to a program of job-training and employment. To date, the initiative took the interim form of a sponsor-based arrangement while the Great River Landing facility was under construction. We expect it to open by 2020, at which point MPHA will enter into the long-term, project-based voucher form of subsidy. In addition to stable housing and access to employment resources, the partner organizations (Better Futures Minnesota and Beacon Interfaith Housing Collaborative) will provide social and supportive services that will help the men reunify with their families and establish civic pride and ties to their communities once they enter the program.

## Shelter to Home – Project-Based Vouchers (2016 – 1)

Approved in 2016, Implemented in 2016, Closed in 2020

### Reason for Closure

This activity has been superseded by Activity 2018-6 (*Local PBV Program*). Under its Local PBV Program, MPHA now has a comprehensive, open Request for Proposals (RFP) for PBVs that allows MPHA to establish and accomplish community-driven goals with its PBV allocations (including directing units to serve community priorities such as homelessness, which was the stated original purpose of this activity, 2016-1). Accordingly, MPHA is closing this activity as its intentions, potential outcomes, and authorizations are fully encompassed within approved activity 2018-6.

*Background:* Under this activity, MPHA proposed to place up to 50 project-based vouchers (PBVs) with non-profit housing providers, focused on providing housing to formerly homeless families. Families will receive ongoing services from Hennepin County, property owners and/or their services provider partners. MPHA issued an initial request-for-proposals (RFP) in August 2016 and subsequently awarded a housing assistance payments (HAP) contract to one housing provider, Lutheran Social Services, for 12 PBVs. These units are being converted to PBV in the course of natural attrition of units, which has happened slowly. The first move-ins began in 2018. Subsequent to the low initial response, MPHA engaged with the City of Minneapolis to coordinate our RFP process with RFPs for other Minneapolis affordable housing funding programs. However, MPHA has received no suitable applications to-date. We will continue to explore the potential for PBVs to serve this hard-to-house population through our broader Local PBV Program.

## **Soft Subsidy Initiative (2011 – 2)**

Approved in 2011, Implemented in 2013, Closed in 2020

### **Explanation for Closure**

We are integrating this activity under a newer, previously MTW activity going forward: *Goal-Oriented Housing Initiative (2018-2)*. Goal-Oriented Housing was designed at the outset to incorporate a broader approach than the narrow program proposed in this activity in 2011. This activity is presently inactive. Its authorizations will be absorbed into Goal-Oriented Housing activity, and any potential revival of the program envisioned here would be encompassed by Goal-Oriented Housing. Accordingly, Activity 2011-2 will be closed in 2020.

*Background:* Under this activity, MPHA initially entered into a subsidy agreement with a service-provider partner that rehabbed units for participating families. The family would commit to a path toward self-sufficiency and into the workforce, receiving a rent subsidy in return. The rent portion was structured differently than a standard voucher arrangement to incentivize work. MPHA provided a fixed subsidy payment to the partner, who also provided services related to education or job-training. After some successful years, this initial partner experienced funding challenges and discontinued the program at the end of 2017. We continued unsuccessfully to seek another partner.

## Targeted Project-Based Initiative (2011 – 1)

Approved in 2011, Implemented in 2012, Closed in 2020

### Explanation for Closure

This activity has been superseded by Activity 2018-6 (*Local PBV Program*). Under its Local PBV Program, MPHA now has a comprehensive, open Request for Proposals (RFP) for PBVs that allows MPHA to establish and accomplish community-driven goals with its PBV allocations (including leveraging units of non-PBV affordable housing, which was the sole stated original purpose of this activity, 2011-1). The units originally intended for creation under this activity have been leveraged, and the activity is no longer in active use. Accordingly, MPHA is closing this activity as its intentions and potential outcomes are fully encompassed within approved activity 2018-6.

*Background:* Under this activity, MPHA project-based vouchers for the purpose of creating additional affordable housing for low-income families in the City of Minneapolis. MPHA's objective was to expand the locations of PBV programs, and to strategically deploy voucher awards to leverage the creation of additional non-PBV affordable housing (affordable to families with 80 percent of Area Media Income or below). MPHA first awarded vouchers under this initiative in early 2012, ultimately awarding 41 vouchers that facilitated an additional 226 units (a total of 267 affordable housing units) across four developments. This exceeded the goal of 120 units.

## ***Previously Closed Out Activities***

### **Absence from Unit Initiative (2011 – 3)**

Approved in 2001, Implemented in 2011, Closed in 2017

#### **Why the activity was closed out**

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 were required to pay rent as if the income continued. Residents could request a hardship to pay minimum rent during their absence, along with an agreement to repay the difference over the next 12 months.

MPHA's resident organization has continually challenged MPHA to end this initiative as it has a disproportionate impact on immigrant families who receive SSI and lose this income if they travel outside the United States. After several years of experience and study of the financial impact of this initiative, MPHA has determined that the administrative burden related to this initiative and the hardship this creates for very low-income immigrant families is not cost-effective.

### **Biennial Housing Quality Standards Inspections (2012 – 1)**

Approved and Implemented in 2012, Closed out in 2014

#### **Why the activity was closed out**

This activity gave MPHA 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. However, two years later Section 220 of the 2014 Congressional Appropriations Act allowed "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 the agency closed it when we judged that MTW authority was no longer required.

### **Block Grant and Fungible Use of MPHA Resources (2009 – 1)**

Approved 2009, Implemented in 2009, Closed in 2017

#### **Why the activity was closed out**

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. This Activity was moved to the "Closed Out" Section of the 2017 MTW Plan per HUD instruction.

### **Combine Homeownership Programs (2009 – 3)**

Approved and implemented in 2009, Closed out in 2012

#### **Why the activity was closed out**

MPHA discontinued this initiative in 2012 due to funding shortfalls, and closed out the program. With the phase-out of MPHA's Homeownership Made Easy (HOME) program in June 2012, two families received homeowner education and mortgage readiness counseling in 2012. Of these, one family closed on their home in Northeast Minneapolis in June 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.

### **Earned Income Disallowance Simplification - HCV (2012 – 2)**

Approved and Implemented in 2012, Closed out in 2016

#### **Why the activity was closed out**

In the Housing Choice Voucher Program, HUD regulations allow families whose head of household is 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 created a two-year full income disregard for eligible families and eliminated the administrative hardship and time-consuming monitoring. 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.

### **Foreclosure Stabilization Project-Based Voucher Demonstration Program (2010 – 5)**

Approved in 2010, Implemented in 2011, Closed in 2017

#### **Why the activity was closed out**

This initiative was a partnership with a local non-profit that purchased and rehabilitated four- and six-unit properties that had gone through foreclosure. MPHA project-based 21 vouchers at these units. Implementation began in May 2011 and was complete by August 2012 when all 21 units were occupied. The units have remained occupied and active in 2016 as preserved units of affordable housing. The activity's objectives have been fulfilled.

## **MPHA – Hennepin County Transitional Housing Demonstration (2013 – 1)**

Approved in 2013, Implemented in 2014, Closed out in 2016.

### **Why the activity was closed out**

MPHA partnered 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. 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. This activity did not live up to its promise. The county medical center ultimately could not secure adequate funding to support the concept. Even though it was more costly to address the repeated health needs of homeless people who visited the hospital, Minnesota Medical Assistance (Medicaid) paid for medical costs and could not reimburse for housing. Since implementation in 2014, only two units were occupied by seven individuals, which fell considerably short of our expectations. The key lesson learned is to continue to work on ways that Medicaid might reimburse for housing related costs.

## **Public Housing Self-Sufficiency Program (2009 – 5)**

Approved and implemented in 2009, Closed out in 2012

### **Why the activity was closed out**

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.

## V. SOURCES AND USES OF MTW FUNDS

### A. ESTIMATED SOURCES AND USES OF MTW FUNDS

#### i. Estimated Sources of MTW Funds

The MTW PHA shall provide the estimated sources and amount of MTW funding by Financial Data Schedule (FDS) line item.

FDS LINE ITEM NUMBER	FDS LINE ITEM NAME	DOLLAR AMOUNT
70500 (70300+70400)	Total Tenant Revenue	\$17,342,000
70600	HUD PHA Operating Grants	\$87,802,000
70610	Capital Grants	\$12,350,000
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	\$0
71100+72000	Interest Income	\$216,000
71600	Gain or Loss on Sale of Capital Assets	\$0
71200+71300+71310+71400+71500	Other Income	\$1,949,000
70000	Total Revenue	\$119,659,000

#### ii. Estimated Uses of MTW Funds

The MTW PHA shall provide the estimated uses and amount of MTW spending by Financial Data Schedule (FDS) line item.

FDS LINE ITEM NUMBER	FDS LINE ITEM NAME	DOLLAR AMOUNT
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	\$12,097,000
91300+91310+92000	Management Fee Expense	\$7,889,000
91810	Allocated Overhead	\$0
92500 (92100+92200+92300+92400)	Total Tenant Services	\$1,199,000
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	\$5,981,000
93500+93700	Labor	\$588,000
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	\$13,436,000
95000 (95100+95200+95300+95500)	Total Protective Services	\$2,542,000
96100 (96110+96120+96130+96140)	Total Insurance Premiums	\$1,463,000
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	\$5,956,000
96700(96710+96720+96730)	Total Interest Expense & Amortization Cost	\$517,000
97100+97200	Total Extraordinary Maintenance	\$120,000
97300+97350	HAP + HAP Portability-In	\$54,499,000
97400	Depreciation Expense	\$15,000,000
97500+97600+97700+97800	All Other Expense	\$0
90000	Total Expenses	\$121,287,000

**Please describe any variance between Estimated Total Revenue and Estimated Total Expenses:**

As presented in the MTW Budget section, MTW Sources are \$731,000 less than MTW Uses. However, Generally Accepted Accounting Principles (GAAP) classify sources and uses differently from revenues and expenses. The variance in Total Estimated Revenue and Total Estimated Expenses is the result of the classification difference. In 2020, MPHA is estimating spending \$12.9 million in capitalized expenditures and receiving current year revenue to pay for these expenditures. Those current year capitalized expenditures are not classified as an expense but instead depreciation of previous years' capitalized expenditures are shown. The difference between the revenue needed for \$12.9 million in planned capital expenditures and \$15 million in depreciation of previous years' capital expenditures creates a \$2.1 million variance of expense over revenue. Additionally, revenue of \$1.2 million is planned to cover the principal payment on loans owed by MPHA. The payment of the principal amount on the loan is not shown as an expense; only the associated interest as required by GAAP. Because of this, there is \$1.2 million more in revenues than expenses. The total variance between estimated revenues and expenses of \$0.9 million is because of the presentation. Additionally, \$731,000 is the actual net loss. This loss is primarily the result of one-time expenditures for a software upgrade.

**iii. Description of Planned Use of MTW Single Fund Flexibility**

The MTW PHA shall provide a thorough narrative of planned activities that use only the MTW single fund flexibility. Where possible, the MTW PHA may provide metrics to track the outcomes of these programs and/or activities. Activities that use other MTW authorizations in Attachment C and/or D of the Standard MTW Agreement (or analogous section in a successor MTW Agreement) do not need to be described here, as they are already found in Section (III) or Section (IV) of the Annual MTW Plan. The MTW PHA shall also provide a thorough description of how it plans to use MTW single fund flexibility to direct funding towards specific housing and/or service programs in a way that responds to local needs (that is, at a higher or lower level than would be possible without MTW single fund flexibility).

**PLANNED USE OF MTW SINGLE FUND FLEXIBILITY**

MPHA intends to use approximately \$3.7 million to fund an initial deposit to MPHA's nonprofit affiliate. The nonprofit affiliate will become the owner of the majority of MPHA's scattered site public housing units which has an application pending for a Section 18 disposition. The funding will be used as initial capital and liquidity to improve the affiliate's financial worth needed to secure long-term financing.

MPHA plans to use approximately \$4.9 million from its HCV HAP Subsidy to augment other programs in accordance with the needs of our local community. Of this amount: \$2.7 million is planned for the Public Housing Operating Budget; \$1.8 million to HCV Administration; \$274,000 to supplement under funding for VASH and FUP vouchers; and \$138,000 to MTW Local Initiatives (primarily research, reporting, and administration related to MPHA's MTW status). Among other things, these transfers help augment security services to provide public housing residents with a safer living environment; and support a higher level of responsiveness and customer service to Housing Choice Voucher participants and property owners than would not have been possible under deeply prorated HCV administrative funding.

In accordance with MPHA's MTW authority and activities, we will use our single-fund flexibility to support development efforts, MTW subsidization on post-conversion properties, and local, non-traditional subsidy programs.

**B. LOCAL ASSET MANGEMENT PLAN**

i. Is the MTW PHA allocating costs within statute?

No

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

Yes

iii. Has the MTW PHA provide a LAMP in the appendix?

Yes

iv. If the MTW PHA has provided a LAMP in the appendix, please describe any proposed changes to the LAMP in the Plan Year or state that the MTW PHA does not plan to make any changes in the Plan Year.

MPHA does not plan to make any changes in the Plan Year.

**C. RENTAL ASSISTANCE DEMONSTRATION (RAD) PARTICIPATION**

i. **Description of RAD Participation**

The MTW PHA shall provide a brief description of its participation in RAD. This description must include the proposed and/or planned number of units to be converted under RAD, under which component the conversion(s) will occur, and approximate timing of major milestones. The MTW PHA should also give the planned/actual submission dates of all RAD Significant Amendments. Dates of any approved RAD Significant Amendments should also be provided.

**RENTAL ASSISTANCE DEMONSTRATION (RAD) PARTICIPATION**

MPHA plans to convert a single, two-tower property, The Elliot Twins, to project-based vouchers (PBVs) using RAD (including the 25/75 Section 18 “blend” as provided under PIH Notice 2018-04). MPHA received a Commitment to Enter Housing Assistance Payments (CHAP) in December 2018. We intend to submit a Financing Plan to HUD in the spring of 2020. The RAD Significant Amendment for the Elliot Twins will be an amendment to our 2019 MTW Annual Plan. Following requisite process and MPHA board approval, we anticipate submitting the Significant Amendment for HUD approval in early October 2019.

MPHA may submit additional RAD applications in 2020, as discussed in Section 1 of this MTW Annual Plan.

ii. Has the MTW PHA submitted a RAD Significant Amendment in the appendix? A RAD Significant Amendment should only be included if it is a new or amended version that requires HUD approval.

No

iii. If the MTW PHA has provided a RAD Significant Amendment in the appendix, please state whether it is the first RAD Significant Amendment submitted or describe any proposed changes from the prior RAD Significant Amendment?

N/A

## **VI. ADMINISTRATIVE**

### **A. Board Resolution and Certifications of Compliance**

See Appendix A, Board Report/Resolution and Certifications of Compliance.

*[FINAL VERSION INSERTED INTO PLAN FOLLOWING BOARD APPROVAL]*

See Appendix H for HUD Form 50075.1.

### **B. Documentation of Public Process**

The draft plan was available for public review on July 19, 2019. The MPHA Board of Commissioners held a public hearing on August 28, 2018.

Appendix B contains the priorities as approved by MPHA's Resident Advisory Board.

Appendix C contains detailed documentation of MPHA's public process and a summary of public comments.

### **C. Planned and Ongoing Evaluations**

MPHA has no planned or ongoing MTW PHA-directed evaluations of the MTW demonstration and/or of any specific MTW activities.

### **D. Lobbying Disclosures**

See Appendix D for Certification of Payments (HUD Form 50071).

Based on the certification on Form 50071, Form SF-LLL is not relevant to MPHA's activities.



September 25, 2019

Agenda Item 1

**REPORT TO THE COMMISSIONERS****FROM:** Tracey Scott, Interim Executive Director/CEO**SUBJECT:** Approval of MPHA 2020 Moving to Work (MTW) Annual Plan

**Previous Directives:** On January 6, 2008 MPHA signed an MTW Agreement with HUD making MPHA a full-status MTW agency. This status requires MPHA to create an Annual MTW Plan. On July 6, 2008, the board approved MPHA's first MTW Annual Plan. As required by the MTW Agreement, the board must approve and submit to HUD a new MTW Annual Plan each year by October 17.

**Resident Notification:** All residents received notice of the draft plan by direct mail in early July. The Resident Advisory Board (RAB) received a copy of the draft plan at its July meeting. The RAB will review and act on its recommendations to the board regarding the 2020 Annual Plan prior to the September 25, 2019 board meeting.

**Impact on Budget:** The MTW Annual Plan identifies how MPHA resources will be spent but does not itself have a budgetary impact.

**Recommendation:** It is recommended that the Board of Commissioners adopt a resolution approving the MPHA FY 2020 MTW Annual Plan and submit it to HUD pursuant to the requirements in the MTW Agreement.

*About MPHA's MTW Annual Plan Process*

The Moving to Work (MTW) agreement requires MTW agencies to make a draft MTW Annual Plan available for public review for at least 30 days, hold one public hearing, and allow at least 15 days between the public hearing and board approval. MPHA strives to exceed these requirements for public process around our MTW Annual Plan.

Prior to the draft plan's release, MPHA provided notice in early July to all public housing residents via a rent statement insert. This notice, in English and Somali, included the release

date of the draft plan; how and where to obtain the draft; dates and times of the upcoming public meetings and public hearing; options to provide comments by email or regular mail, along with the deadline for comments; and the method and a reasonable deadline for requesting language or other accommodation for the meetings or the plan itself. MPHA also mailed this notice to a random selection of 500 households with Housing Choice Vouchers and placed paid, advance notices of the draft plan and public hearing in four print and online outlets, including publications with primarily African-American and East African readership and notice in the Minneapolis Star-Tribune on July 14.

MPHA published the draft plan on July 19, followed within days by a Somali translation of the plan's introduction. The comment was open until August 30 (42 days). Materials were prominently featured on MPHA's website home page, and available on request from MPHA's property management offices and main office front desk.

The MPHA Resident Advisory Board (RAB) met in May to revise and amend its priorities for inclusion in the draft plan. The RAB met in June to review and approve the final priorities. This meeting also featured a discussion with MPHA staff on the elements of the draft plan. RAB members each received copies of the full draft at the RAB's July meeting.

MPHA's Board of Commissioners received a staff presentation at its July 24 meeting, featuring an overview of the plan and focus on the 2020 proposed activities. The board held a public hearing on the draft MTW Annual Plan following its regular meeting on August 28. One week prior to this, MPHA held two informational meetings (daytime and evening) open to the public. These meetings featured a presentation on the MTW Annual Plan contents, followed by an opportunity for public comments and questions. At all meetings and the public hearing, MPHA offered simultaneous interpretation in Somali, Oromo, Hmong, and American Sign Language. (MPHA received no advance requests for interpretation, but provides these languages in anticipation of possible need, based upon our resident demographics.)

MPHA includes a summary of public comments and MPHA responses as Appendix B of the final plan. MPHA staff made certain updates and clarifications to the plan text to reflect the comments received.

A Board Resolution and the final 2020 MTW Annual Plan follow this report.

*This report was prepared by Jeff Horwich, Director of Policy and External Affairs ([jhorwich@mplspha.org](mailto:jhorwich@mplspha.org)).*



September 25, 2019

Agenda Item 1

**RESOLUTION No. 19-190**

**WHEREAS**, the Minneapolis Public Housing Authority in and for the City of Minneapolis (MPHA) signed a Moving to Work (MTW) Agreement with the U.S. Department of Housing and Urban Development (HUD) on January 6, 2008, making MPHA a full-status MTW Agency; and

**WHEREAS**, the full-status MTW Agreement requires MPHA to create an annual MTW Plan; and

**WHEREAS**, the draft plan was available for public comment for 42 days days, MPHA held a public hearing, and not less than 15 days elapsed between the public hearing and board approval in order to incorporate any public comments; and

**WHEREAS**, MPHA is required to submit the MTW Annual Plan in its required form at least 75 days prior to the start of the agency's fiscal year (January 1, 2020);

**NOW THEREFORE, BE IT RESOLVED** by the Board of Commissioners of MPHA that the 2020 MTW Annual Plan is approved and that the Executive Director is authorized to submit it to HUD for approval as required.

## CERTIFICATIONS OF COMPLIANCE

### U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OFFICE OF PUBLIC AND INDIAN HOUSING

#### Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan

Acting on behalf of the Board of Commissioners of the Moving to Work Public Housing Agency (MTW PHA) listed below, as its Chairman or other authorized MTW PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the MTW PHA Plan Year beginning (01/01/2020), hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

- (1) The MTW PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the MTW PHA conducted a public hearing to discuss the Plan and invited public comment.
- (2) The MTW PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
- (3) The MTW PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1 (or successor form as required by HUD).
- (4) The MTW PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
- (5) The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
- (6) The Plan contains a certification by the appropriate state or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the MTW PHA's jurisdiction and a description of the manner in which the Plan is consistent with the applicable Consolidated Plan.
- (7) The MTW PHA will affirmatively further fair housing by fulfilling the requirements at 24 CFR 903.7(o) and 24 CFR 903.15(d), which means that it will take meaningful actions to further the goals identified in the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR 5.150 through 5.180, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o)(3). Until such time as the MTW PHA is required to submit an AFH, and that AFH has been accepted by HUD, the MTW PHA will address impediments to fair housing choice identified in the Analysis of Impediments to fair housing choice associated with any applicable Consolidated or Annual Action Plan under 24 CFR Part 91.
- (8) The MTW PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
- (9) In accordance with 24 CFR 5.105(a)(2), HUD's Equal Access Rule, the MTW PHA will not make a determination of eligibility for housing based on sexual orientation, gender identify, or marital status and will make no inquiries concerning the gender identification or sexual orientation of an applicant for or occupant of HUD-assisted housing.
- (10) The MTW PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
- (11) The MTW PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
- (12) The MTW PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
- (13) The MTW PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.

- (14) The MTW PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
- (15) The MTW PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- (16) The MTW PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the MTW PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
- (17) With respect to public housing and applicable local, non-traditional development the MTW PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- (18) The MTW PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
- (19) The MTW PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- (20) The MTW PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 200.
- (21) The MTW PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
- (22) All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the MTW PHA in its Plan and will continue to be made available at least at the primary business office of the MTW PHA.

Minneapolis Public Housing Authority

MN002

**MTW PHA NAME**

**MTW 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).*

Sharmarke Issa

Chair of the Board of Commissioners

**NAME OF AUTHORIZED OFFICIAL**

**TITLE**

**SIGNATURE**

**DATE**

**\* Must be signed by either the Chairman or Secretary of the Board of the MTW PHA's legislative body. This certification cannot be signed by an employee unless authorized by the MTW PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.**

## **APPENDIX B:**

### **Resident Advisory Board 2020 MTW Annual Plan Priorities**

*MPHA's Resident Advisory Board (RAB) drafted and approved the following priorities to guide MPHA's actions in 2020.*

- ❖ Define and maintain high standards and accountability for maintenance staff and management, and apply them consistently across MPHA properties. Create a protocol for residents to comment and address their concerns.
- ❖ Advocate for and use MTW fungibility as much as possible to provide adequate funding for maintenance of buildings and prompt attention to all work orders.
- ❖ Continue to incorporate MPHA's *Guiding Principles for Redevelopment and Capital Investments* as MPHA pursues its *Strategic Vision and Capital Plan* to preserve public housing.
- ❖ Maintain a policy of one-for-one hard unit replacement of public housing.
- ❖ Create and define a comprehensive security program, including:
  - Investing in cameras and other security measures where it makes the most difference.
  - Enforcing MPHA's guest/visitor policies to ensure unauthorized people are not entering the buildings.
  - Protecting the anonymity of residents/Project Lookout volunteers who report other residents.
- ❖ Pursue restoration of the full tax levy, as allowable under state law. Apply the levy to address MPHA's large deferred capital needs and reinstate \$1.2 million of the levy for resident security.
- ❖ Do not increase rent over 30% of income.
- ❖ Do not implement housing time limits.
- ❖ Focus on the most needy: homeless, children, elderly, disabled, the mentally ill, and ex-offenders.
- ❖ Create collaborations that increase affordable housing and/or services for residents.
- ❖ Focus new effort on combatting sexual harassment in MPHA buildings, including workshops and training for staff and residents.
- ❖ Focus on resident employment opportunities, including Section 3, as part of all MPHA activities, including:
  - A Section 3 "job bank";
  - Posting and publicizing MPHA and Section 3 job opportunities in all buildings;
  - Giving residents a preference for available jobs at MPHA.

## **APPENDIX C:**

### **Documentation of Public Process and Summary of Comments**

#### **PUBLIC PROCESS: 2020 MTW ANNUAL PLAN**

The MTW Agreement requires MTW agencies to make a draft MTW Annual Plan available for comment for at least 30 days, hold one public hearing, and allow at least 15 days between the public hearing and board approval. MPHA strives to exceed these requirements for public process around our MTW Annual Plan.

Prior to the draft plan's release, MPHA provided notice in early July to all public housing residents via a rent statement insert. This notice, in English and Somali, included the release date of the draft plan; how and where to obtain the draft; dates and times of the upcoming public meetings and public hearing; how to provide comments by email or regular mail; the deadline for comments; and the method and a reasonable deadline for requesting language or other accommodation for the meetings or the plan itself. MPHA also mailed this notice to a random selection of 500 households with Housing Choice Vouchers and placed paid, advance notice of the draft plan and public hearing in four print and online outlets, including publications with primarily African-American and East African readership and notice in the Minneapolis Star-Tribune on July 14.

MPHA published the draft plan on July 19, followed within days by a Somali translation of the plan's introduction. The comment period was open until August 30 (42 days). The draft plan has been prominently featured on MPHA's web site home page, and available upon request from MPHA's main office and all MPHA property management offices.

The MPHA Resident Advisory Board (RAB) met in May to revise and amend its priorities for inclusion in the draft plan. The RAB met in June to review and approve the final priorities (See Appendix B). This meeting also featured an initial discussion with MPHA staff on the elements of the draft plan. RAB members each received copies of the full draft at the RAB's July meeting.

MPHA's Board of Commissioners received a staff presentation at its July 24 meeting, featuring an overview of the plan and focus on the 2020 proposed activities. The board held a public hearing on the draft MTW Annual Plan following its regular meeting on August 28. One week prior to this, MPHA held two informational meetings (daytime and evening) open to the public. These meetings featured a presentation on the MTW Annual Plan contents, followed by an opportunity for public comments and questions. At all meetings and the public hearing, MPHA offered simultaneous interpretation in Somali, Oromo, Hmong, and American Sign Language. (MPHA received no advance requests for interpretation, but provides these languages in anticipation of possible need, based upon our resident demographics.)

## SUMMARY OF PUBLIC COMMENTS

By the comment deadline, MPHA received a total of 122 written comments and 28 oral comments across the informational meetings and public hearing. Of the written comments, 114 (93 percent) were a variant of the same form letter. In addition to these, MPHA received an official response from the Minneapolis Highrise Representative Council (MHRC), which we reproduce at the end of this appendix section.

MPHA thanks all those who took time to comment. MPHA has reviewed these comments in their entirety and with due consideration, prior to submitting the MTW Annual Plan for board approval.

This summary represents an overview of key themes evident in the comments. Some comments did not speak directly to the plan (or address items that are asserted by the commenter to be in the plan, but are not). Where commenters speak directly to points in the plan and an MPHA response would be illuminating, we offer it below.

### Updates or Clarifications Related to Comments on the Draft MTW Annual Plan

- Some comments implied a need for further clarifying language supporting the list titled *Properties for which MPHA May Apply for Housing Preservation Programs in 2020* (at the end of the plan's Introduction). **MPHA Response:** MPHA added language to be clear that MPHA has not made RAD or other applications for these properties, nor is there a timeline to do so; and that the required public process would commence in the event that such an application is forthcoming.
- One commenter asked questions about a statement in the Introduction regarding possible data-sharing agreements to inform MPHA's health and wellness programs. The question related to the status of these agreements and data privacy concerns. **MPHA Response:** There are no current agreements. MPHA added language clarifying that any data analysis would occur at an aggregate level. Although no addition to the plan text was warranted, we appreciate the chance to clarify here regarding data privacy: the privacy of resident data is protected under state law and HUD regulations, and MPHA will protect the private data of all those we serve.
- Some comments addressed the status of MPHA's application for HUD's Section 18 program to preserve and reinvest in our scattered site homes. **MPHA Response:** HUD approved MPHA's application in August, subsequent to the publication of the draft plan in July. MPHA has updated the text to reflect the HUD approval.
- Certain comments suggested a need for additional definitions for our glossary appendix. **MPHA Response:** MPHA added entries including "Flat Rent," "Deeply Affordable Housing," "Local, Non-Traditional," and "Section 9" in response to these questions, and updated others. MPHA is grateful for glossary suggestions that readers might find useful.
- MPHA added minor clarifying language in places to clarify tone and intent, inspired by the overall themes in the comments received.

## MHRC and Related Comments

Certain comments urged MPHA to continue on a particular path, or to keep certain principles in mind as we do our work. The comments from MHRC generally embody this approach, and we refer readers to these comments, reproduced at the end of this appendix.

**MPHA Response:** MPHA appreciates the expression of partnership and MHRC’s ongoing vigilance in helping residents stay informed and engaged as MPHA’s capital reinvestment plans unfold in coming years. We will be mindful of the design considerations discussed explicitly in comments, including bathrooms, exercise and laundry rooms, and investing in energy efficiency and alternative energy sources. We acknowledge and appreciate resident leaders’ passion for restoring the city’s tax levy for public housing, and welcome MHRC’s invitation to partner ever-more-closely on our advocacy at the state and local levels.

We share MHRC’s emphasis on resident livability and security, and pledge to do our best, in a challenging funding environment, to avoid cuts to programs and services that directly impact residents. We know MHRC leaders are aware that HUD provides no money to public housing authorities for supportive services or security. We will continue to deploy our resources in ways that acknowledge residents’ right to feel secure in their homes, while pursuing other ways to fund and otherwise support security in our highrises, including strengthening our partnership with the Minneapolis Police Department.

MPHA heard from MHRC and individual commenters on the need to focus resources on sober housing. While MPHA does not have a specific project or rental subsidy program in process at this time, we believe the MTW flexibilities put in place with this and prior plans would position us better to pursue this and other identified community needs. Like security services, MPHA does not receive funding for casework or other supportive services. Our capacity for housing of this type depends upon external funding and partners with requisite expertise.

MPHA heard from MHRC and individual commenters specifically about the need for more carpenters. While decisions are fluid and depend upon multiple factors, we value this useful feedback and will examine the source of the concern.

## Form-Letter and Related Comments

A form letter comprised the majority of comments received by MPHA. This letter and similar comments embody a misperception that MPHA’s plans (primarily related to capital investment) constitute a threat to the families MPHA serves.

**MPHA Response:** MPHA respects and shares the passion of all who care deeply for the public housing in our community. MPHA is a public, accountable, social service organization with a clear mission that compels us to protect these homes now and tomorrow. Our board and staff pursue this unitary mission with seriousness, care, and transparency. We therefore reject the premise that the 2020 MTW Annual Plan, or our plans generally, are dangerous or unwise. We further reject the extensive misstatements of fact used to buttress this point of view, crafted to mislead the community and—especially—vulnerable people whose homes are not, in fact, endangered. The most tragic comments

MPHA heard during our comment process come from public housing residents who have been led by others to believe they are facing eviction or rent increases.

MPHA has responded in multiple forums to the simplistic, pejorative characterization of MPHA’s plans as “privatization.” We will not resurrect that full semantic discussion here. Rather, we ask readers and the community to research for themselves two fundamental points: 1) the enduring layers of protection enjoyed by public housing residents, both written into federal law and in the layers of commitment and oversight from MPHA, the City of Minneapolis, and HUD, and 2) the explicit objectives and requirements of every program or project we propose, namely the preservation and creation of housing for extremely low-income people and expansion of services to improve people’s lives. Accessing outside investment—such as through Low-Income Housing Tax Credits—does not constitute privatization. It is, rather, a game-changing option to harness external funds to further our public mission to house families the private market otherwise leaves behind.

Commenters pine for—and many insist upon—a scenario in which the federal government fully funds the capital needs of public housing. MPHA pines for this too. However, our mission compels us to do something about it. Commenters trumpet MPHA’s “45 percent increase” in capital funding in 2019—something we are also glad for. The unfortunate truth behind this recent, welcome increase is that MPHA is still funded at 10-cents-on-the-dollar, with \$15 million in annual capital funds against an estimated \$152 million in needs. Together with more than 3,000 public housing authorities across the country, we will continue to push for every additional dollar of capital funding from Washington. However, we will not deceive our community by conveying that a miracle is forthcoming. Our 2020 MTW Annual Plan reflects a commitment to meet our mission by employing every practical means at our disposal. In doing so, we follow a template established in cities across the country, where housing authorities have adapted in order to avoid the destiny of crumbling public housing, tied to Congressional whim.

Beyond these general themes, other criticisms and misstatements address specific points in the plan. We organize them by topic below.

### *Process (MTW Annual Plan and Development Activities)*

MPHA is scrupulous in assuring that our public processes satisfy all meeting and disclosure requirements, and typically exceed them. We are glad to address certain misstatements in comments related to items covered in the plan:

- *Comment: MPHA failed to notify residents of this draft plan or provide interpretation.* **MPHA Response:** A narrative of the public process around this plan begins this appendix. Residents received direct notice by mail; MPHA provided multiple comment avenues and a review period that exceeds the 30-day requirement; MPHA held two additional public meetings that are not required by the MTW Agreement. MPHA provided interpretation in five languages, and a clear channel for residents to request any other accommodation for materials or events.
- *Comment: The Resident Advisory Board is “hand-selected by MPHA”.* **MPHA Response:** RAB members are elected by resident council organizations, including MHRC, with no input or involvement by MPHA. The RAB Charter gives MPHA the ability to recruit members for RAB

seats otherwise unfilled (such as where a resident council is not operating or there is no nominating body, as with Housing Choice Voucher participants).

- *Comment: The MHRC does not represent public housing residents.* **MPHA Response:** The leaders of the MHRC are nominated and directly elected by highrise public housing residents. The MHRC is not a part of MPHA; MHRC is a 501(c)3 nonprofit organization. Residents who disagree with MHRC's stances may petition MHRC leaders or run for office themselves.
- *Comment: MPHA failed to notify residents of its RAD application "for 15 months."* **MPHA Response:** MPHA met all notification requirements under the RAD program, including notifying Elliot Twins residents and holding two meetings prior to our application.
- *Comment: Residents were not notified of MPHA's Section 18 application.* Some commenters stated that "residents did not know they were being evicted." **MPHA Response:** MPHA sent every scattered-site household an information sheet and a letter inviting them to one of three meetings, prior to our application under Section 18. Residents are not being evicted (thus, MPHA thus did not notify them of this).
- *Comment: There is no scattered site resident council.* **MPHA Response:** Resident councils are organized and run by residents, not by the housing authority. The resident council for scattered site residents has been defunct for some years, and no residents have yet stepped forward to restart it. MPHA would like a strong resident council to represent and benefit residents of the scattered sites, before, during, and after conversion of these homes under Section 18. In the absence of an active resident council, MPHA communicated directly with all scattered site households ahead of our application for Section 18.
- *Comment: Some comments suggest that MPHA's plans and program applications require resident "approval."* **MPHA Response:** MPHA strives for resident engagement, feedback, and empowerment to the greatest extent possible. However, we should also be clear with the community: MPHA's publicly appointed Board of Commissioners is ultimately charged with setting the policy and vision of MPHA and authorizes staff to implement.
- *Comment: Some comments also suggest that MPHA, its annual plan, or applications for federal programs are subject to unrelated community or municipal review or approval processes.* **MPHA Response:** MPHA complies fully with all processes to which we are subject. Our engagement obligations extend to the households we serve through our programs. We will continue to set and reach a high bar in this regard.

### *The Rental Assistance Demonstration (RAD) Program and Conversion of MPHA's Scattered Sites under HUD's Section 18 Program*

MPHA consistently addresses myths and facts around RAD and Section 18. Beyond the general concerns about privatization and notification/awareness addressed above, we are glad to address certain false statements that dominated the RAD-related comments to the plan:

- *Comment: Residents will be forced to use tenant-based Section 8 vouchers or stay with family and friends.* **MPHA Response:** The relocation plan drafted this spring in partnership with Elliot Twins residents describes multiple options *from which residents may choose* during any period of temporary relocation. It incorporates HUD-required resident protections and options. Options

to stay with family or using a Section 8 voucher would be available, as would choices to reside at another unit at the Elliot Twins or another public housing building. No resident will be required to take a tenant-based voucher or live with family or friends.

- *Comment: Low-Income residents will experience rent-increases.* **MPHA Response:** Under a RAD conversion, a building converts from Section 9 public housing to project-based vouchers (PBVs). The rent calculation under a PBV subsidy is the same as before: 30 percent of adjusted income. We do not expect rent increases for low-income residents. A small number of residents with the highest incomes may experience rent increases that would be phased in over many years (stemming from the lack of a “flat rent” option under a PBV subsidy).
- *Comment: Residents will be evicted and/or will not return.* **MPHA Response:** Federal RAD rules protect residents against rescreening and guarantee the right-to-return to a property following renovations. Throughout the RAD process, residents remain recipients of federal housing subsidy administered by MPHA.

With regard to MPHA’s plans to reinvest in its scattered sites through our approval for HUD’s Section 18 program:

- *Comment: Residents are being “relocated with \$100 each.”* **MPHA Response:** This comment stems from a misinterpretation of MPHA’s Section 18 application documents. MPHA is not planning a relocation. However, the application has a required section where HUD requires MPHA to estimate any such expenses. MPHA estimated approximately \$96 of administrative staff time per household to assist with consultation and the signing of a new lease. Families will remain in their homes throughout.
- *Comment: MPHA’s Section 18 approval will replace single-family homes with “new luxury fourplexes or triplexes” that “will not house former residents.”* **MPHA Response:** This statement is false and doing this would violate the terms of HUD’s approval. Where MPHA is able to add units by increasing density on scattered-site lots, these homes will also be federally subsidized and serve low-income families.

### *Comments about Proposed or Approved MTW Activities*

- *Comment: Proposed Activity 2019 – 1 (Inspections and Rent-Reasonableness):* Commenters state that MPHA’s proposed activity to determine rent-reasonableness “means rents will be more than 30 percent of residents income.” **MPHA Response:** This is not what “rent-reasonableness” means, as it is defined under HUD regulations. This activity will allow MPHA to independently determine the total contract rent for the unit. This determines the amount of subsidy MPHA commits to it, and it has no bearing upon the tenant’s rent calculation, which remains 30 percent of adjusted income.
- *Comment: Proposed Activity 2019 – 2 (Affordable Housing Toolkit):* A commenter stated that this activity allows MPHA to “do whatever [we] wish with our public housing stock.” The comment also requested a definition of “deeply affordable housing.” **MPHA Response:** MPHA is bound by its MTW Agreement, among many other layers of regulation and oversight, to serve low-income families and protect the housing benefits of residents. MPHA added a definition of “deeply affordable housing” to this plan’s glossary.

- Comment: Proposed Activity 2019 – 3 (Flexible Subsidy for Community Priorities):* A comment states that MPHA is “using its MTW flexibility to overindulge the alternative programs” and “move away from functioning as...a public housing authority.” **MPHA Response:** As an MTW agency, MPHA has the power to serve the housing needs of low-income families with innovative, locally designed programs. We have many successful examples and look forward to more. However, we ask readers to keep a sense of proportion, as the households served under these programs are dwarfed by the number served by our more traditional public housing and voucher programs.
- Comment: Stable Homes Stable Schools (Goal-Oriented Housing):* One commenter raised multiple objections, including 1) that residents are being pushed out of their communities, 2) that it relies on Section 8 vouchers, and 3) that it does not reach every family who needs help. **MPHA Response:** 1) This is false; in fact, participants must remain living in the school district where they are enrolled as a condition of the program; 2) Stable Homes Stable Schools does not use Section 8 vouchers—this is an MTW-enabled rental assistance program; 3) the program does not have enough funding from the City of Minneapolis to reach every family experiencing homelessness. However, we hope to reach more than 300 families during the initial three-year term.
- Comment: Replace Form of DOT with LURA:* A comment raises questions about the status of this activity and suggests families at these properties face an imminent danger of rent increases and displacement. **MPHA Response:** HUD approved this activity as part of its approval of MPHA’s 2019 MTW Annual Plan. Comments thoroughly misstate what a Land Use Restriction Agreement (LURA) is. We refer readers to the definition that was in our glossary. These listed properties were not accepted as part of MPHA’s Section 18 application, as they fall outside the technical definition of “scattered sites” used by HUD. This makes them strong candidates for this MTW activity, which is similarly designed to help MPHA reinvest and preserve this housing for the long-term without displacement or changes in rent. We do not anticipate any significant change for families when the formal, legal transition envisioned under this activity occurs. Further, there is no timeline for renovation work, at present. Prior to any work on a unit, families would receive notice and information well in advance, as required by law.
- Comment: Conversion of MHOP Units/Heritage Park:* Comments included a lengthy discussion on Heritage Park that staff regrettably found difficult to decipher. **MPHA Response:** Among the variety of affordable housing units at Heritage Park, there are 200 units owned and managed by a third-party that draw directly from MPHA’s public housing waiting list (and thus serve extremely low-income families). These public housing-subsidized units are a part of the Metropolitan Housing Opportunities Program (MHOP) that was created by the settlement of the 1995 Hollman Consent Decree. MPHA is committed to preserving these deeply affordable units, as well as a wider process of helping the neighborhood develop in ways that serve the families who live there.
- Comment: Lease to Own Program:* A comment asks what happens to families who cannot complete the program. **MPHA Response:** Families voluntarily enter the Lease to Own program. They obtain advantageous terms and support services leading to homeownership, in exchange for a commitment to comply with the program requirements. Families who do not meet the terms must leave the program, with due notice.

## Other Assorted Comments

The following comments pertain to information in the plan but fall outside the categories above.

- Comment: MPHA can build more public housing “because of MTW flexibility.”* **MPHA Response:** MTW status does not confer upon MPHA any additional funds to construct (or repair) public housing. The context of this comment suggests that it stems from a misinterpretation of the “Faircloth Limit” imposed upon all PHAs, including MPHA (please see this term in the glossary for more information). Within our Faircloth Limit, MPHA could receive *operating subsidy* for a limited number of new public housing units (for MPHA, the current number is 76). However, HUD provides no associated funds for *construction* of these units. MPHA will utilize its Faircloth authority when opportunities arise (as with the Minnehaha Townhomes). However, these opportunities will likely be rare without a new funding stream for construction of the units.
- Comment: MPHA’s capital-funds-spent do not match capital-funds-received.* **MPHA Response:** MPHA spends every capital fund dollar we receive from Congress. However, capital funds are not received from HUD all at one time, and the nature of large capital investments means that we spend them across multiple years following their receipt. This is why in some years capital spending exceeds funds received; in others, it is less.
- Comment: MPHA is not spending the revenue received from tenant rents.* **MPHA Response:** MPHA spends public housing operating subsidy and all tenant rents to fund management, security, and day-to-day maintenance of our properties. HUD funding formulas presume a contribution of tenant rent to support the operation of our housing. We spend all operating subsidy and rent revenue, and use our MTW flexibility to further supplement this amount.
- Comment: MPHA will be using a standard of 80 percent of AMI to determine resident eligibility.* **MPHA Response:** This is already true today; commenters may be unaware that the current federal income limit for admittance to public housing is 80 percent of AMI. However, MPHA is required by its MTW Agreement that at least 75 percent of families served be below 50 percent of AMI (which HUD defines as “very low-income”). We must continue to meet this standard today and tomorrow, regardless of the source of subsidy or underlying structure. Further, given our admission preferences, applicant pool, and the community need, more than 80 percent of households MPHA currently serves are below 30 percent of AMI (“extremely low-income”).
- Comment: MPHA should use the Quality Maintenance Program (QMP) instead of RAD.* **MPHA Response:** This suggestion misunderstands both the nature of the QMP and the level of funding involved. The QMP is a preventive maintenance program (examples include showerheads, curtain rods, and furnace vent cleaning). It is not a program of major capital repairs (roofs, pipes, electrical systems, apartment modernizations). MPHA’s objectives with QMP are to maximize livability and optimize our maintenance work, knowing that major capital investment for many properties will be years away. MPHA estimates a budget of \$1 million for the QMP in 2020; MPHA’s estimated capital need, by comparison, is more than \$150 million.
- Comment: MPHA should use its Section 8 Housing Assistance Payments to “directly fund and build wholly public housing.”* **MPHA Response:** This comment suggests that MPHA discontinue a voucher program used by more than 15,000 people in Minneapolis to afford safe, stable housing.

## **FULL COMMENTS FROM THE MINNEAPOLIS HIGHRISE REPRESENTATIVE COUNCIL (MHRC)**

MHRC supports the Resident Advisory Board's MTW Priorities that primarily pertain to MPHA keeping a strong focus on resident livability and security concerns.

Regarding the proposed Affordable Housing Creation and Preservation Toolkit, we request that MPHA keep residents apprised of any proposed changes to existing or proposed capital plans that might negatively impact funds for highrise renovations.

Regarding on-going RAD initiatives, highrise residents share the same concerns as many about how RAD conversions will impact them and their communities. We were previously involved in developing guiding principles for redevelopment work that clearly state tenant protections, the permanent affordability of our housing, and expectations for ongoing tenant involvement. Over the past year, many Elliot Twins residents have been involved in numerous relocation contract negotiations and design committee meetings.

We expect that MPHA will continue to work closely with resident organizations as it moves forward with this and future RAD initiatives. We are highly supportive of the health and human services provisions of MPHA's Strategic Vision and have been working closely with MPHA staff in the planning stages of this work, especially as it relates to promoting both the physical and mental health of highrise residents. There is good work already happening in these areas and plenty of room for further developments. One resident suggestion is that MPHA provide more sober transitional housing.

### **Regarding Planned Physical Improvements in the Capital Fund Program**

Residents recognize and appreciate that MPHA understands that the vast majority of limited capital improvement dollars must go toward maintaining and repairing critical building systems in order to preserve our housing. Residents also request that MPHA be mindful of the need for space in the highrises for exercise equipment. Many residents are focused on improving their health and areas for exercise in the buildings, especially in the winter months, are in high demand.

We request that MPHA continually state its commitment to deeply affordable housing and that this commitment carries into all redevelopment efforts. Security remains the number one priority for highrise residents and we appreciate MPHA's commitment to address security considerations in its capital improvement work.

### **Regarding MPHA FY2020 Budget**

It is clear that MPHA faces continued major funding challenges in FY2020 and into the near future. As MPHA considers cost-saving measures we urge MPHA to keep these two things in mind:

- 1) MPHA should avoid cuts to programs and services that directly impact residents including management, maintenance and security as well as resident-run programs. A positive resident

perception of our homes and our quality of life in our buildings must be maintained in order to preserve public housing. Residents continue to complain that they are waiting too long for carpentry repairs. We urge MPHA to hire more carpentry staff.

2) It is more important now, than ever, that MPHA partner with the MHRC and other groups to go after local and state support of public housing that has been sorely lacking. Public housing is an asset to Minneapolis and to neighborhoods and should be supported more vigorously at all levels of government. The City, alone, could provide over \$8 million to support MPHA's security and capital needs through a mill levy, if there was the will to do so. MPHA and MHRC need to improve our partnership in this effort. Additionally, we are glad that MPHA has increased its presence and awareness of public housing needs at the State legislature. We will continue to fight for State bonding money for public housing capital improvements. For years, residents and the MHRC have brought resident voices to City Hall, the State legislature and Washington DC. We know there is room for more collaboration and new ideas on how to move this important agenda forward.

**Certification of Payments  
to Influence Federal Transactions**

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (Exp. 01/31/2017)  
2020 MTW Annual Plan

Applicant Name

Minneapolis Public Housing Authority

Program/Activity Receiving Federal Grant Funding

Publicly owned housing and housing choice voucher program

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

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)

Name of Authorized Official

Tracey Scott

Title

Interim Executive Director/CEO

Signature



Date (mm/dd/yyyy)

09/25/2019

Previous edition is obsolete

## **APPENDIX E: Local Asset Management Plan (LAMP)**

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

In programs where it applies, 2 CFR Part 200, Subpart E allows PHAs to use a fee-for-service in lieu of allocation systems for the reimbursement of overhead costs. MPHA has elected to use a fee-for-service approach.

The Changes in Financial Management and Reporting for Public Housing Agencies Under the New Operating Fund Rule (24 CFR part 990) Supplement to HUD Handbook 7475.1 REV., CHG-1, Financial Management Handbook states that a PHA may charge up to a maximum 10 percent of the annual Capital Fund grant as a management fee. While current program rules (§ 968.112) allow PHAs to charge up to 10 percent of the Capital Fund grant for "Administration," these administrative costs must be specifically apportioned and/or documented. Under a fee-for-service system, the PHA may charge a management fee of 10 percent, regardless of actual costs.

The Capital Fund Program management fee covers costs associated with the Central Office Cost Center's oversight and management of the Capital Fund Program. These costs include duties related to general capital planning, preparation of the Annual Plan, processing of e-LOCCS, preparation of reports, drawing of funds, budgeting, accounting, and procurement of construction and other miscellaneous contracts.

The Moving to Work Agreement permits MPHA to combine funding awarded to it annually pursuant to Section 8 (o), Section 9 (d), and Section 9 (e) of the 1937 Housing Act into a single, authority-wide funding source ("MTW Funds"). MPHA has elected to combine all MTW Funds and use the MTW Funds with the full flexibility permitted by the Moving to Work Agreement.

### **LOCAL DETERMINATION ON FEES**

As permitted under the First Amendment to Moving to Work Agreement, MPHA may design and implement a local asset management program which allows fees that exceed the levels set forth by HUD's asset management requirements. Because MPHA may utilize MTW Housing Choice Voucher (HCV) program funds for public housing capital expenditures, MPHA's local asset management plan would permit a management fee chargeable to the HCV program to cover the Central Office Cost Center's oversight and management of HCV-funded capital improvements. The costs the Central Office will bear include, but are not limited to, duties related to general capital planning, processing and reporting of VMS capital expenditure reimbursements, preparation of reports, budgeting, accounting, and procurement of construction and other miscellaneous contracts. The management fee charged will be 10% of the HCV-funded capital improvement costs and consistent with the fee amount permitted if the capital improvements were funded by the Capital Fund grant.

### **LOCAL DETERMINATIONS ON THE ASSIGNMENT OF COSTS**

As permitted under the First Amendment to Moving to Work Agreement, MPHA may apply local determinations with respect to front line, prorated, and shared resources, fee costs, and other aspects of such requirements, to meet the objectives of the MTW program. Major building systems; like elevators,

heating, electrical, and mechanical systems require specialized expertise to maintain. The MPHA employs operating maintenance engineers and other specialized staff that are assigned to the projects and charged directly in accordance with HUD's asset management requirements. However, supervision and daily work inspection and direction as well as contract administration and contractor oversight for such systems are performed by a central manager. The expertise required to oversee this work is not a function that on-site staff can typically provide. MPHA will reasonably prorate the actual labor costs for the central manager when performing work related to those tasks previously described.

MPHA employs pest control specialists to treat properties in prevention and response to pests. In particular the coordination of treatment schedules, treatment of surrounding units, documentation of methods and chemicals applied, scheduling out treatment machines, ordering and controlling distribution of chemicals, determining and insuring proper training, etc. is best done by centralized administration. MPHA will reasonably prorate the actual labor costs for a central supervisor when performing work related to those tasks previously described.

The Changes in Financial Management and Reporting for Public Housing Agencies Under the New Operating Fund Rule (24 CFR part 990) Supplement to HUD Handbook 7475.1 REV., CHG-1, Financial Management Handbook states that "Where it is not economical to have full-time personnel dedicated to a specific AMP, the PHA may establish a reasonable method to spread these personnel costs to the AMPs receiving the service. Shared resource costs are distinguished from front-line prorated costs in that the services being shared are limited to a few AMPs as opposed to being prorated across all AMPs. MPHA will be implementing a new preventive maintenance program in 2019. The Quality Maintenance Program (QMP) will deliver an improved approach to grounds, janitorial, pest control, and major systems maintenance through the establishment of scheduled work tasks that includes modest repairs and replacements due to wear-and-tear. The QMP will prioritize care and servicing of equipment, unit interiors, common areas, and other building components for the purpose of maintaining satisfactory operating condition, by providing systematic inspection, detection, and correction of issues either before they occur or before they develop into major defects. MPHA intends to use maintenance crew(s) that will work across properties within and across asset management projects to perform QMP work. MPHA will consider these costs as shared costs and charge the fully burdened labor costs for these crews based on actual hours work at a project. Materials and other directly related costs for this work; i.e. auto insurance, cell phones, etc., will be prorated to the projects on a reasonable basis.

MPHA reserves the right to employ full MTW Single Fund flexibility across properties and programs.

The additional HCV-funded capital improvement fee, the central management of specialized maintenance staff, major building systems, pest control program administration, and the QMP crews would be the only deviations from HUD's asset management guidelines.

## APPENDIX F: MPHA Planned Capital Expenditures (2020)

Across the nation, Public Housing Authorities have been chronically underfunded over the past 30 years. HUD reports the backlog of repairs grows at a rate of \$3.4 billion each year, starting from a baseline 2010 when a deferred need of \$26 billion was reported. In 2010, HUD funded approximately 10% of the reported backlog; in 2018, only 4% was funded. One percent of public housing units in the United States—10,000 homes—go offline each year because there is not enough money for repairs and maintenance. Despite our housing’s capital needs and declining federal funding, MPHA intends to implement creative strategies now and into the future to ensure our housing stock remain viable for the long-term.

### MPHA CAPITAL NEEDS

Minneapolis Public Housing Authority’s (MPHA) housing stock is comprised of 42 high-rise buildings, 736 scattered site homes, 184 rowhouse units, a 16-unit townhome development, and three maintenance, administrative, and service facilities. Forty of the 42 highrise buildings in MPHA’s inventory were built in the 1960s and early 1970s; the age range of MPHA’s single-family homes is 10 – 100+ years old, and our 184-townhouse development is nearly 70 years old. MPHA completed its comprehensive physical needs assessment process (PNA) in 2015, which included contracting with specialty consultants to assess major building systems such as HVAC, roofs, facades, and elevators. Utilizing field data collection tools, MPHA gathered needs data on all property components including current ages and conditions. Life-cycle profiles and replacement or repair costs were established for each building component, and needs related to life-safety/code compliance, security, and energy savings were noted as such and all repair/replace actions were assigned a priority level relative to all MPHA capital needs. MPHA updates this data on an annual basis to reflect completed work and any changes to building conditions. As required by HUD every five years, MPHA will embark on another comprehensive PNA of its properties in 2020. At the time of this publication, MPHA had initiated a comprehensive analysis of its scattered sites properties, which will inform the preservation strategy it intends to launch at these properties in 2020. Additional details on MPHA’s portfolio strategy are covered in Section I of this plan.

MPHA’s physical needs analysis indicates it has a current unmet need of \$152 million (as of 2019) that will grow to over \$500 million over the next 20 years. These figures do not take into account applied capital funding, as it is difficult to predict future funding levels and availability. This estimate of unmet need represents building components that have reached or exceeded their estimated useful life. When formulating its annual capital plan, MPHA is forced to make difficult decisions between competing needs due to continual insufficient funding. To aid in capital planning with limited resources MPHA considers several factors including:

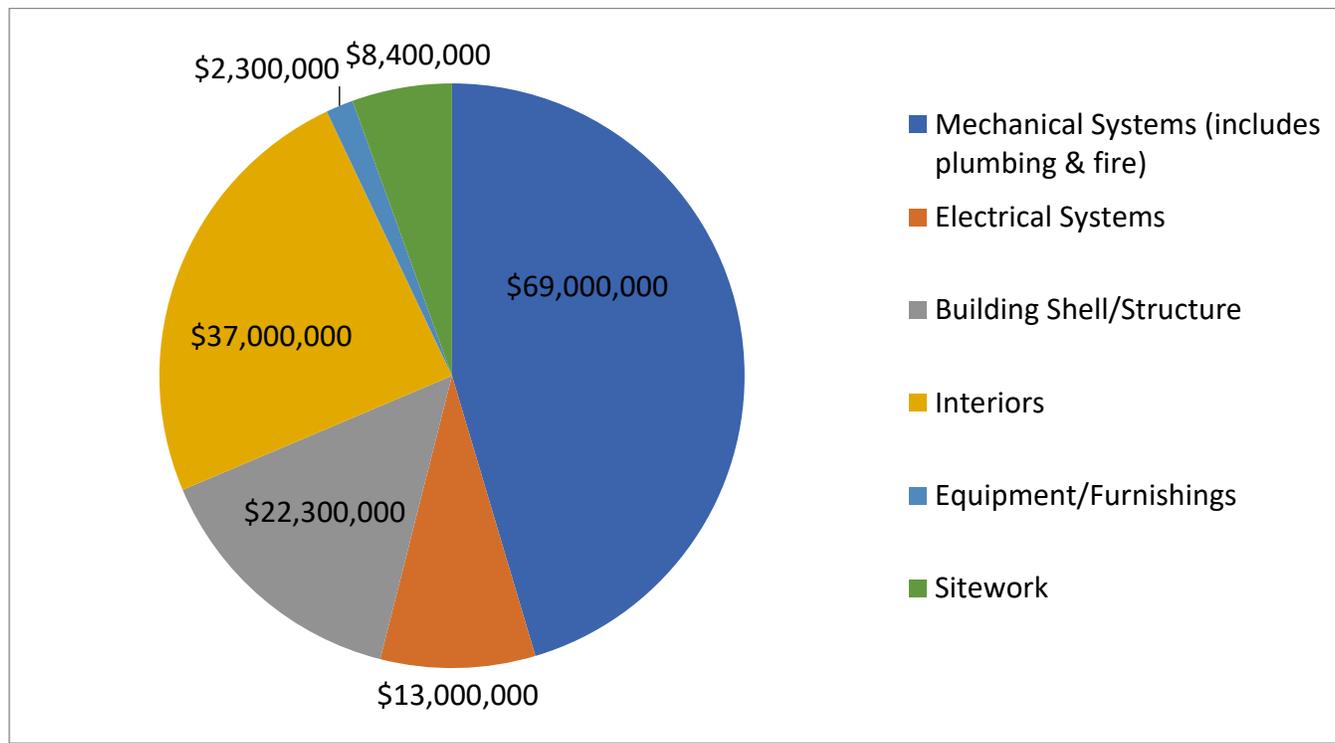
1. The type of need

- Building Systems/Infrastructure (e.g., mechanical systems, plumbing and electrical systems, security systems, fire protection systems, roofs/façades, windows, elevators). These are components that are required to keep the building functioning and safe.

- Building Site Work, Interiors & Equipment/Furnishings (e.g., apartment kitchen and bath rehab, landscaping/site improvements, community room furnishings, building amenities). These are components that address livability and resident quality-of-life.
2. The remaining useful life of the building component (generally ranges from 0 – 20 years)
  3. The urgency of action relative to other competing capital needs.
    - Low: This action is not currently impeding building functionality or safety and may be deferred. Quality-of-life may be affected by deferment.
    - Medium: This action is not currently impeding building functionality or safety but should be done with in the next two to five years. Quality-of-life may already be affected and manageable component failure may occur by deferment.
    - High: This action is of high urgency, necessary to address building functionality and livability, and should be done within the next one to two years. Quality-of-life is likely affected and component failures will become more frequent by deferment.
    - Urgent: This action should not be deferred and must be done as soon as possible. Building functionality or safety is currently compromised.

## PHYSICAL NEEDS ASSESSMENT BREAKDOWN

MPHA’s immediate capital needs are illustrated below:



As shown above, a large portion of our immediate capital needs are infrastructure/building systems. Aging systems and infrastructure at many of our properties have exceeded their life expectancy and have started to fail. MPHA deems a portion of these items as high or urgent needs that could become life/safety needs if left unaddressed. Additionally, as building codes have evolved, we need to address increased life/safety requirements such as retrofitting our highrise buildings with sprinkler systems. MPHA has made infrastructure/building systems a priority and will target these types of improvements with its limited Capital Fund resources until major reinvestment opportunities materialize.

## **FY2020 SIGNIFICANT CAPITAL EXPENDITURES BY DEVELOPMENT**

MPHA bases its capital activities on an expected Capital Fund Program (CFP) allocation of \$14.8 million for 2020. CFP funded activities that were initiated under previous funding cycles, but not fully completed in prior years, will carry over and experience expenditures in 2020. Additionally, a portion of the activities slated for 2020's \$14.8 million budget will not be fully expended in 2020 and will carry into 2021. MPHA has estimated approximately \$15 million in Capital Fund expenditures for FY2020 targeting specific projects in six of its seven Asset Management Projects (AMPs).

*[Chart on following page]*

**CAPITAL ACTIVITIES & EXPENDITURES – FY 2020\***

AMP	PROJ	ADDRESS	WORK ITEMS	BUDGET	2020 EXPENDITURES*
<b>ONGOING 2019 ACTIVITIES</b>					
N/A	N/A	N/A	Administration	\$1,480,000	\$1,480,000
N/A	N/A	Various	Pre-development activities	\$1,000,000	\$800,000
N/A	N/A	Area-Wide	Quality maintenance program	\$1,500,000	\$800,000
2	Varies	Scattered Sites	Comp. modernization, energy improv.	\$1,220,000	\$500,000
2	Varies	Scattered Sites	Energy pilots – new construction	\$780,000	\$400,000
3	20.4	2415 N 3 <sup>rd</sup> Street	Security improvements	\$150,000	\$50,000
3	29	1015 4 <sup>th</sup> Avenue North	HVAC improvements, generator install.	\$500,000	\$450,000
5	9	Hiawatha Towers	Site security improvements	\$750,000	\$150,000
6	6	Cedars Low-rises	Roof replacement	\$820,000	\$100,000
6	6	1611 S 6 <sup>th</sup> Street	Piping, apartment upgrades, fire alarm system replacement/fire suppression retrofit, HVAC improvements	\$4,500,000	\$2,000,000
6	6	1627 S 6 <sup>th</sup> Street	Elevator modernization	\$600,000	\$100,000
6	15	1515 Park Ave S	Piping, apartment upgrades, HVAC improvements	\$4,600,000	\$300,000
7	31	Horn Towers	Elevator modernization	\$2,020,000	\$800,000
<b>PLANNED 2020 ACTIVITIES</b>					
N/A	N/A	N/A	Administration	\$1,480,000	\$0
N/A	N/A	N/A	Audit fee	\$10,000	\$10,000
N/A	N/A	TBD	Pre-development activities	\$2,300,000	\$250,000
Varies	Varies	Area-Wide	Quality maintenance program	\$1,000,000	\$400,000
Varies	Varies	Area-Wide	Select systems replacements	\$260,000	\$100,000
3	23	315 Lowry Avenue	Comprehensive modernization	\$1,800,000	\$100,000
3	25	600 18 <sup>th</sup> Avenue North	Window replacement	\$1,150,000	\$1,150,000
4	21.6	809 Spring Street NE	Comprehensive modernization	\$1,500,000	\$100,000
5	24	1707 3 <sup>rd</sup> Avenue South	Elevator modernization	\$600,000	\$500,000
6	6	1611 S 6 <sup>th</sup> Street	Elevator modernization	\$600,000	\$500,000
6	8	Elliot Twins	Comprehensive modernization	\$3,500,000	\$3,500,000
7	17	2728 E Franklin Ave	Elevator modernization	\$600,000	\$500,000
<b>TOTAL – 2020 EXPENDITURES*</b>					<b>\$15,040,000</b>

\*Estimates are subject to final budget approval by the MPHA Board of Commissioners.

These capital activities and expenditures are based on multiple assumptions:

- Approval of MPHA's Section 18 disposition application for its scattered sites portfolio;
- Final formula amounts at the 2019 levels and receipt of grant by the end of March 2020;
- MPHA's ability to secure debt and Low-Income Housing Tax Credit financing for the Elliot Twins;
- Receipt of City of Minneapolis contribution funds for improvements at 315 Lowry & 809 Spring.

Since these variables are highly subject to change, expenditures and activities may vary significantly. MPHA will modify its capital activities as it deems suitable based on different outcomes.

## FIVE-YEAR CAPITAL NEEDS PLAN

The five-year Capital needs table illustrates total funding needed to address all capital needs at MPHA properties between 2020-2024.

**Minneapolis Public Housing Authority**  
2020 Five-Year Schedule of Capital Needs

FY20	FY21	FY22	FY23	FY24
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**AMP 1 - Rowhouses**

AMP	Project	Address	Bldgs	Units					
1	1	Glendale	28	184	17,167,766	0	108,017	0	53,434
<b>Total AMP 1</b>			<b>28</b>	<b>184</b>	<b>17,167,766</b>	<b>0</b>	<b>108,017</b>	<b>0</b>	<b>53,434</b>

**AMP 2 - Scattered Site/Single Family**

AMP	Project	Address	Bldgs	Units					
2	Various	Various	730	730	36,981,517	3,371,264	3,040,126	1,641,481	1,395,402
<b>Total AMP 2</b>			<b>730</b>	<b>730</b>	<b>36,981,517</b>	<b>3,371,264</b>	<b>3,040,126</b>	<b>1,641,481</b>	<b>1,395,402</b>

**AMP 3 - North**

AMP	Project	Address	Bldgs	Units					
3	3	800 North Fifth Ave	1	66	1,298,458	0	165,698	0	623,067
3	20.4	2415 North Third Street	1	62	644,436	431,064	42,747	0	2,263,816
3	20.5	3116 North Oliver Ave	1	31	621,064	197,706	78,252	37,404	486,311
3	23	315 North Lowry Ave	1	193	2,716,334	190,952	220,828	513,816	2,537,645
3	25	600 North 18th Ave	1	239	3,440,297	0	42,747	0	10,295,406
3	26	1710 North Plymouth Ave	1	84	4,815,445	0	284,054	0	2,776,253
3	28	901 North 4th Ave	1	48	42,747	77,322	42,747	80,123	0
3	37	1314 North 44th Ave	1	220	6,251,426	26,717	42,747	997,351	3,345,037
3	42	314 Hennepin Ave	1	299	5,745,652	919,086	3,771,299	347,321	2,265,480
3	50	350 Van White Memorial Blvd	1	102	711,492	0	42,747	0	0
<b>Total AMP 3</b>			<b>10</b>	<b>1,344</b>	<b>26,287,351</b>	<b>1,842,847</b>	<b>4,733,866</b>	<b>1,976,015</b>	<b>24,593,015</b>

**AMP 4 - Northeast**

AMP	Project	Address	Bldgs	Units					
4	10	311 NE University Ave	1	49	1,801,149	53,434	42,747	0	153,573
4	15.4	710 NE Second Street	1	35	1,272,695	13,526	182,225	522,392	287,961
4	15.5	616 NE Washington Ave	1	35	1,482,723	9,427	54,234	281,401	161,506
4	21.4	1206 NE Second Street	1	57	2,125,844	92,975	70,371	5,656	344,427
4	21.5	1900 NE Third Street	1	32	2,038,172	0	42,747	0	681,331
4	21.6	809 NE Spring Street	1	32	2,500,875	0	69,464	53,434	285,708
4	32	1717 NE Washington Street	1	182	5,930,084	1,522,150	72,053	42,001	1,789,948
4	33	828 NE Spring Street	1	189	4,223,286	0	304,479	722,940	3,599,361
4	35	1815 NE Central Ave	1	333	4,363,011	290,073	1,090,626	854,943	3,314,710
<b>Total AMP 4</b>			<b>9</b>	<b>944</b>	<b>25,737,839</b>	<b>1,981,585</b>	<b>1,928,946</b>	<b>2,482,767</b>	<b>10,618,525</b>

**Minneapolis Public Housing Authority**  
**2020 Five-Year Schedule of Capital Needs**

FY20	FY21	FY22	FY23	FY24
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**AMP 5 - Hiawatha**

AMP 5	Project	Address	Bldgs	Units					
5	9	Hiawatha Towers	3	281	7,854,911	519,183	159,859	98,102	2,269,642
5	18.5	2533 South First Ave	1	42	1,649,883	0	21,374	0	305,306
5	19	1920 South Fourth Ave	1	110	2,799,619	401,305	604,685	0	543,664
5	24	1707 South Third Street	1	199	2,154,134	138,928	42,747	667,924	3,082,936
5	34	2419/33 South Fifth Ave	2	254	1,458,162	3,740,904	85,494	0	4,545,573
<b>Total AMP 5</b>			<b>8</b>	<b>886</b>	<b>15,916,709</b>	<b>4,800,320</b>	<b>914,159</b>	<b>766,026</b>	<b>10,747,121</b>

**AMP 6 - Cedars**

AMP 6	Project	Address	Bldgs	Units					
6	6 & 30	Cedars Community	4	539	24,666,641	168,847	731,541	171,707	2,848,425
6	8	Elliot Twins	2	174	7,451,178	1,531,853	568,744	809,827	1,280,268
6	16	1515 South Park Ave	1	182	5,477,482	1,316,290	443,204	32,060	1,224,322
<b>Total AMP 6</b>			<b>7</b>	<b>895</b>	<b>37,595,301</b>	<b>3,016,990</b>	<b>1,743,489</b>	<b>1,013,594</b>	<b>5,353,015</b>

**AMP 7 - Horn**

AMP 7	Project	Address	Bldgs	Units					
7	14	1415 East 22nd Street	1	129	1,582,228	0	42,747	210,927	424,893
7	17	2728 East Franklin Ave	1	151	2,316,598	86,175	169,977	80,685	895,475
7	18.4	3755 South Snelling Ave	1	28	1,493,619	0	42,747	0	857,540
7	22	3205 East 37th Street	1	28	850,472	0	42,747	0	665,085
7	31	Horn Towers	3	491	14,115,916	1,964,703	427,472	174,195	9,460,378
7	36	2121 South Minnehaha Ave	1	110	4,674,283	960,746	163,320	26,717	1,214,860
<b>Total AMP 7</b>			<b>8</b>	<b>937</b>	<b>25,033,116</b>	<b>3,011,624</b>	<b>889,010</b>	<b>492,524</b>	<b>13,518,231</b>

**Management, Maintenance, and Special Facilities**

Project	Location	Bldgs	Units						
29	1015 North Fourth Ave	1		229,262	257,866	0	192,247		0
93	1301 Bryant Maintenance Off.	1		161,939	98,521	0	598,460		374,328
96	1001 Washington Main Office	1		3,131,543	370,532	0	0		258,032
<b>Total MM&amp;S</b>		<b>3</b>		<b>3,522,744</b>	<b>726,919</b>	<b>0</b>	<b>790,707</b>		<b>632,360</b>
<b>GRAND TOTAL</b>			<b>800</b>	<b>5,920</b>	<b>188,242,343</b>	<b>18,751,549</b>	<b>13,357,613</b>	<b>9,163,114</b>	<b>66,911,103</b>

## ASSET PRESERVATION & CREATION STRATEGIES

As an MTW agency, MPHA can utilize fungible authority to increase the amount of funds allocated to capital improvements above the Capital Fund allocation from Congress/HUD. However, given a long-standing trend of federal underfunding and the current administration's proposed budget cuts to all PHA programs, our ability to dedicate additional funds to capital investments will become increasingly difficult. Due to our funding challenges, MPHA must consider additional tools and funding sources to ensure our properties remain viable for the long-term. There is no stand-alone solution available; rather, we must take a multi-pronged approach as we consider reinvestment strategies.

### Roadmap for MPHA's Portfolio Preservation

Over the past two years, MPHA has initiated an in-depth portfolio analysis to determine the best way to enhance each property's value while preserving its long-term viability. This evaluation has considered each property's physical condition, social and strategic value, and income potential, as well the numerous challenges MPHA faces as it embarks on redevelopment. Our preliminary plan will serve as the framework to guide our path into the future but will continue to evolve as property needs, funding opportunities, and the priorities of MPHA and its stakeholders change.

As we implement the first RAD conversion at the Elliot Twins and move through the Section 18 disposition process for our scattered sites, MPHA will look to this roadmap to consider which properties we will next apply these or other tools to ensure our housing assets remain viable for the future. Regardless of the strategies we employ now or moving forward, MPHA will continue to honor its commitment of collaboration and partnership with our residents and other various community stakeholders. We discuss specific near- and longer-term implementation plans for RAD, Section 18, and other components of our portfolio in Section 1 of this MTW Annual Plan.

#### *Resident & Community Engagement*

In keeping with its *Guiding Principles for Redevelopment and Capital Investments*, when utilizing these or other tools, MPHA has and will continue to engage with its residents and community partners to ensure our stakeholders have a clear understanding of our path, are actively involved and collaborate with us through the entire process and, most importantly, that residents rights are protected along the way.

In addition to the pledges MPHA has made to its residents with the *Guiding Principles for Redevelopment and Capital Investments*, MPHA has been working in conjunction with residents and the Legal Aid Society of Minnesota to develop a relocation rights contract that outlines tenant protections should residents need to temporarily relocate due to MPHA's redevelopment activities. Additionally, in April 2019, the Minneapolis City Council adopted a Memorandum of Understanding (MOU) between the city and MPHA which expresses our shared commitment to investing in public housing, long-term public control, and protecting the rights of every resident. The MOU closely reflects MPHA's own Board-approved *Guiding Principles* and protections built into the RAD Program.

### HUD Tools

As a starting point, MPHA considers how it can further its flexibility under MTW, as well as pursue special programs offered by HUD.

### *The Rental Assistance Demonstration (RAD) & Section 18 Programs*

The Rental Assistance Demonstration (RAD) and Section 18 Programs have been utilized around the country to preserve and reinvest in more than 100,000 units of deeply affordable housing. The RAD Program converts the traditional Operating and Capital Fund streams to more reliable Section 8 project-based funding, which allows housing authorities to create new partnerships and open themselves to opportunities for greater investment in the housing. Section 18 of the 1937 Housing Act allows access to Tenant Protection Vouchers (TPVs), which carry a higher subsidy thereby allowing the properties to leverage more debt for improvements. Under some conditions, HUD allows these tools to be used in tandem, offering even greater opportunities for long-term preservation.

### *Moving to Work (MTW) Enhancements*

As an MTW agency, MPHA has funding and regulatory flexibility to enhance our development activity. For example, enhancing rents using our MTW “single-fund flexibility” allows MPHA greater borrowing capacity, which in turn equates to additional building improvements. Resident rents remain unaffected while their homes benefit from greater enhancements.

### *A Preservation-Focused Alternative to the Declaration of Trust (DOT)*

HUD’s legacy Declaration of Trust (DOT) inhibits MPHA’s ability to raise money from other sources needed to reinvest in our public housing stock. Replacing DOTs with Land Use Restriction Agreements (LURAs) provides MPHA the flexibility to secure much needed capital investment while protecting long-term affordability for residents. HUD approved this activity in MPHA’s 2019 MTW Plan, and it may apply to a limited number of properties where neither RAD nor Section 18 offer a path to funding and preservation.

### *Energy Performance Contracting*

In 2010, MPHA contracted with Honeywell International, Inc. to implement \$33.6 million of energy conservation measures throughout MPHA’s properties. The contract was financed under HUD’s Energy Performance Contracting (EPC) program incentive to borrow private capital to fund energy improvements. Although this project allowed MPHA to replace 40-to-50-year-old boilers and complete other energy-related improvements, MPHA will need to satisfy the EPC debt in order to utilize HUD’s RAD and Section 18 Programs or other creative financing strategies. MPHA will be working with Honeywell and Bank of America to address outstanding debt issues which may be in the form of a payoff in whole or for specific, near-term redevelopment projects.

### *Choice Neighborhoods Program*

The Choice Neighborhoods program leverages significant public and private dollars to support locally driven strategies that address struggling neighborhoods with public or HUD-assisted housing through a comprehensive approach to neighborhood transformation. Local leaders, residents, and stakeholders, such as public housing authorities, cities, schools, police, business owners, nonprofits, and private developers, come together to create and implement a revitalization plan for a neighborhood.

## Financing Tools

In conjunction with the flexibility and programs available through HUD, MPHA will continue to pursue a variety of funding sources to augment HUD's tools.

### *Traditional Debt*

MPHA would borrow money from banks or other financial institutions to complete major improvements at its properties, much like homeowners and other housing providers do to finance improvements.

### *Soft Funding Sources/Grants*

MPHA has had success securing grants and soft loans from the state, county, city, and Federal Home Loan Bank for new development activities. MPHA has also received multiple rounds of state bond financing from the state for affordable housing preservation, most recently \$1 million for elevator modernization at 1611 South Sixth Street and window replacement at 600 18<sup>th</sup> Avenue North. In 2020, MPHA will continue pursuing local and other resources – such as a city tax levy – for its redevelopment efforts.

### *Low-Income Housing Tax Credits (LIHTC) Program*

The LIHTC program is a key resource for creating and preserving affordable housing in Minneapolis and around the country. LIHTCs allow for creation of new partnerships to access tax credits that fund significant capital improvements at existing properties or help create new communities while offsetting investor tax basis. We believe the program is an essential tool for our housing preservation and creation strategy.

### *Opportunity Zones/Equity Participation*

This relatively new incentive is a community investment tool established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide. It provides capital gains relief to investors while providing opportunities for significant infusion of capital into economically distressed communities. We are exploring its applicability to preserving public housing stock.

## APPENDIX G: Glossary of Acronyms and Housing Terms

**ARRA** – The *American Recovery & Reinvestment Act of 2009* (“**Recovery Act**”) was a stimulus package enacted by Congress in 2009. Though the primary objective was to save and grow jobs, the Recovery Act also provided temporary relief for programs most affected by the recession and allowed investments in infrastructure, education, health, and renewable energy.

**ACC - Annual Contributions Contract** is the written contract between HUD and a Public Housing Authority (PHA) under which HUD agrees to provide funding for a program (under the Housing Act of 1937), and the PHA agrees to comply with HUD requirements for the program.

**AMI - Area Median Income** - an estimate from the Department of Housing and Urban Development (HUD) of how much money families in a given area earn on average.

**AMP – Asset Management Projects** is a term used to identify the PHA’s property groupings.

**CFP - Capital Fund Program** is an annual grant in which HUD provides funds for the modernization and development of public housing beyond the scope of routine maintenance.

**CFR – Code of Federal Regulations** are published federal rules that define and implement laws; commonly referred to as “the regulations.”

**CDBG - Community Development Block Grant** is a flexible program that provides communities with resources to address a wide range of unique community development needs.

**CMTO - Creating Moves to Opportunity** is a nationwide collaboration between universities, foundations, and PHAs with the purpose of improving long-term outcomes of children by evaluating strategies that support Housing Choice Voucher (HCV) families in moving to higher opportunity neighborhoods.

**Deeply Affordable Housing** – This term is generally used to refer to homes affordable to people who meet HUD’s definition of “Extremely Low-Income” (making below 30 percent of the Area Median Income).

**DOT - Declaration of Trust** is a legal instrument which grants HUD an interest in a public housing property. It also provides public notice that the property was developed, maintained, or operated with Federal assistance and is, therefore, held in **trust** by the public housing agency for the benefit of HUD.

**EPC - Energy Performance Contract** is a financing mechanism authorized by Congress designed to accelerate investment in cost-effective energy conservation measures in federally supported buildings such as public housing.

**Extremely Low-Income Family** – a family whose annual income does not exceed 30 percent of the area median income, as determined by HUD.

**Faircloth Limit/Faircloth Authority** – Named for former U.S. Senator, the Faircloth Limit refers to a cap, under federal law, on the number of Section 9 public housing units for which a PHA is allowed to receive subsidy. Where housing authorities are below this limit, Faircloth Authority refers to additional public housing subsidy PHAs could access, provided we can build or acquire the units.

**Flat Rent** – A maximum level of tenant rent payment, as defined by a PHA’s rent policies for Section 9 public housing. Flat rent is established as a percentage of the estimated fair-market-rent for a unit. Flat rent is a relevant concept for the highest-income households, where a rent payment of 30 percent of adjusted income would exceed this amount. Also known as “ceiling rent.”

**FSS – Family Self-Sufficiency Program** is a HUD program in which a PHA promotes self-sufficiency of assisted families, including the coordination of support services.

**FUP – Family Unification Vouchers** are special purpose vouchers provided to two different populations: families and former foster-care youth (ages 18-24) that are homeless or lack adequate housing. Eligible families are referred by the local child welfare agency to the PHA.

**HAP - Housing Assistance Payments contract** – a written contract between the PHA and a property owner established to provide rent subsidies on behalf of an eligible low-income family.

**HCV – The Housing Choice Voucher (also known as “Section 8”) program** pays a portion of a tenant’s rent in an apartment or home. Families contribute approximately 30 percent of their income toward their rent and utilities and MPHA provides the rest. Where a voucher-holder uses the voucher to live in a privately-owned home, this is referred to as a “tenant-based” voucher. (Families can use the voucher to choose where they want to live within Minneapolis or outside the city.) In some contexts, the HCV program may also refer to “project-based” vouchers (PBVs), defined separately in this glossary.

**HQS - Housing Quality Standards** are established by HUD and outline minimum life-safety requirements for any housing assisted under the voucher program.

**HUD** – The United States Department of Housing and Urban Development. HUD is the federal regulator and distributor of funds to PHAs. HUD is headquartered in Washington D.C. and has a field office in Minneapolis

**LEP - Limited English Proficiency Plan** is developed by the PHA, per HUD requirements, to make reasonable efforts to provide free language assistance and meaningful access to a client who does not speak English as their primary language or has limited ability to read, write, speak, or understand English.

**Local, Non-Traditional** – This HUD term describes activities that use MTW funds provided under the MTW block grant for activities outside of the Housing Choice Voucher and public housing programs established in Sections 8 and 9 of the U.S. Housing Act of 1937 (1937 Act). These activities must serve low-income families and meet the statutory objectives of the MTW program.

**Low-Income Family** – a family whose annual income does not exceed 80 percent of the area median income, as determined by HUD.

**LIHTC - Low-Income Housing Tax Credit** is a dollar-for-dollar tax credit in the United States for affordable housing investments that gives incentives for the utilization of private equity in the development of affordable housing aimed at low-income Americans.

**LURA – Land Use Restriction Agreement** is a legally binding contract requiring the parties to limit the use of a property for a specified term. LURAs are typically used in connection with low-income housing tax credits to ensure that a housing property is restricted to households who make a certain income (for example, 30% of Area Median Income) for an agreed-upon period. By agreement among the parties, this period need not match and may exceed the tax credit compliance period (for example, 30 years or more).

**MTW – Moving to Work Demonstration Program** created by Congress in 1996 allows housing authorities to design and test innovative, locally-designed strategies for providing low-income families with affordable housing. MTW allows the agency to waive most HUD regulations if the agency meets at least one of three statutory objectives: (1) increasing housing choices, (2) creating opportunities for families with

**Portability** – A family utilizing a Housing Choice voucher can choose to rent a dwelling unit in a city outside their initial PHA.

**PBRA – Project-Based Rental Assistance** was authorized by Congress in 1974 to provide rental subsidies for eligible tenant families residing in newly constructed, substantially rehabilitated, and existing rental and cooperative apartment projects. Under it, developers (for-profit or non-profit) would build low-income housing and HUD would make up the difference between the HUD-approved rent (Contract Rent) for the assisted unit and the HUD-required rental contribution from eligible tenant families. *MPHA does not participate in the PBRA program.*

**PBVs – Project-Based Vouchers** provide rental assistance to families living in privately owned apartments, or in buildings publicly controlled by the housing authority. Unlike “tenant-based” vouchers, PBVs are attached to the housing unit. (Both types of vouchers are considered different types of “Section 8” vouchers and funded by Congress under the Section 8 program.) Using the voucher funding, MPHA enters into a contract to ensure that these units are preserved as affordable housing for up to 20 years (or beyond, in the case of RAD).

**PHA** – Public Housing Authority.

**PIC – PIH Information Center** is the HUD’s inventory management system, used as the official record between HUD and the housing authority of public housing units and occupancy. It is sometimes referred to as IMS/PIC (where IMS stands for Inventory Management System).

**RAD - Rental Assistance Demonstration** was created by Congress to give PHAs a tool to preserve and improve public housing properties and address the nationwide backlog of deferred maintenance. The law authorizing RAD requires continued public ownership or control of public housing properties. Specifically, it requires that a public or not-for-profit entity maintain ownership or control of a public housing property that converts to PBRA or PBV assistance using RAD.

**Section 8** – Refers to Section 8 of the U.S. Housing Act of 1937, as amended (42 U.S.C. 1437). Section 8 of the Act covers voucher programs (tenant-based and project-based) and Project-Based Rental Assistance.

**Section 9** – Refers to Section 9 of the U.S. Housing Act of 1937, as amended (42 U.S.C. 1437). Section 9 of the Act covers traditional, PHA-owned-and-operated public housing.

**Subsidy Standards** are established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families based on the number of people and the family composition.

**SNAP - Supplemental Nutrition Assistance Program**, formerly known as Food Stamps, helps low income families to purchase nutritious food.

**TPVs – Tenant Protection Vouchers** are issued to ensure there is no displacement of low-income residents as a result of underlying changes to subsidy assistance of a property. TPVs can also provide stability and facilitate an increased funding stream to the property.

**VASH - Veterans Affairs Supportive Housing** This joint HUD-Veterans Affairs (VA) program combines Housing Choice Voucher (HCV) rental assistance for homeless Veterans with case management and clinical services provided by the Department of Veterans Affairs (VA).

**Very Low-Income Family** – A low-income family whose annual income does not exceed 50% of the area median income for the area, as determined by HUD.

# APPENDIX H

## Annual Statement/Performance and Evaluation Report Capital Fund Program, Capital Fund Program Replacement Housing Factor and Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 06/30/2017

<b>Part I: Summary</b>					
PHA Name: Minneapolis Public Housing Authority	Grant Type and Number Capital Fund Program Grant No: MNd6L00250117 Replacement Housing Factor Grant No: Date of CFP:			FFY of Grant: 2017	FFY of Grant Approval:

Line	Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2018					
	Summary by Development Account	Original	Total Estimated Cost	Revised Annual Statement (revision no: ) <input type="checkbox"/> Final Performance and Evaluation Report	Obligated	Total Actual Cost <sup>1</sup> Expended
1	Total non-CFP Funds					
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>					
3	1408 Management Improvements					
4	1410 Administration (may not exceed 10% of line 21)					
5	1411 Audit					
6	1415 Liquidated Damages					
7	1430 Fees and Costs					
8	1440 Site Acquisition					
9	1450 Site Improvement					
10	1460 Dwelling Structures					
11	1465.1 Dwelling Equipment—Nonexpendable					
12	1470 Non-dwelling Structures					
13	1475 Non-dwelling Equipment					
14	1485 Demolition					
15	1492 Moving to Work Demonstration		1,000,000	1,000,000	0	0
16	1495.1 Relocation Costs					
17	1499 Development Activities <sup>4</sup>					

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 06/30/2017

Part I: Summary		FFY of Grant: 2017	
PIHA Name:	Grant Type and Number	FFY of Grant Approval:	
Minneapolis Public Housing Authority	Capital Fund Program Grant No: MN461.00250117 Replacement Housing Factor Grant No: Date of CFP:		
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2018 <input type="checkbox"/> Revised Annual Statement (revision no: ) <input type="checkbox"/> Final Performance and Evaluation Report			
Line	Summary by Development Account	Total Estimated Cost	Total Actual Cost <sup>1</sup>
		Original	Revised <sup>2</sup>
18a	1501 Collateralization or Debt Service paid by the PHA		Obligated
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		Expended
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant:: (sum of lines 2 - 19)	1,000,000	1,000,000
21	Amount of line 20 Related to LBP Activities		0
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
Signature of Executive Director		Date	Signature of Public Housing Director
		9/25/2019	

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.





Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 06/30/2017

<b>Part I: Summary</b>		PHA Name: <b>Minneapolis Public Housing Authority</b>		Grant Type and Number Capital Fund Program Grant No: MN46P00250117 Replacement Housing Factor Grant No: Date of CFFP:		FYP of Grant: 2017 FYP of Grant Approval:	
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Line	Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2018	Reserve for Disasters/Emergencies <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Final Performance and Evaluation Report	Revised Annual Statement (revision no: )		Total Actual Cost <sup>1</sup>	
			Original	Revised <sup>2</sup>	Obligated	Expended
1	Total non-CFP Funds					
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>					
3	1408 Management Improvements					
4	1410 Administration (may not exceed 10% of line 21)					
5	1411 Audit					
6	1415 Liquidated Damages					
7	1430 Fees and Costs					
8	1440 Site Acquisition					
9	1450 Site Improvement					
10	1460 Dwelling Structures					
11	1465.1 Dwelling Equipment—Nonexpendable					
12	1470 Non-dwelling Structures					
13	1475 Non-dwelling Equipment					
14	1485 Demolition					
15	1492 Moving to Work Demonstration		10,232,133	10,232,133	10,232,133	10,044,927
16	1495.1 Relocation Costs					
17	1499 Development Activities <sup>4</sup>					

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHH funds shall be included here.

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Part I: Summary		FFY of Grant: 2017			
PHA Name: Minneapolis Public Housing Authority	Grant Type and Number Capital Fund Program Grant No: MN46P00250117 Replacement Housing Factor Grant No: Date of CFP:	FFY of Grant Approval:			
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2018 <input type="checkbox"/> Revised Annual Statement (revision no: ) <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost	Obligated	Total Actual Cost <sup>1</sup>	Expended
18a	1501 Collateralization or Debt Service paid by the PHA	Original	Revised <sup>2</sup>		
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	10,232,133	10,232,133	10,232,133	10,044,927
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director: 		Date: 9/25/2019	Signature of Public Housing Director:		Date:

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.





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<b>Part I: Summary</b>					
PIHA Name: Minneapolis Public Housing Authority		Grant Type and Number Capital Fund Program Grant No: MN46P00250118 Replacement Housing Factor Grant No: Date of CFPP:		FFY of Grant: 2018 FFY of Grant Approval:	

Line	Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2018	Reserve for Disasters/Emergencies <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Final Performance and Evaluation Report	Revised Annual Statement (revision no: )		Total Actual Cost <sup>1</sup>	
			Original	Revised <sup>2</sup>	Obligated	Expended
1	Summary by Development Account					
2	Total non-CFP Funds					
3	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>					
4	1408 Management Improvements					
5	1410 Administration (may not exceed 10% of line 21)					
6	1411 Audit					
7	1415 Liquidated Damages					
8	1430 Fees and Costs					
9	1440 Site Acquisition					
10	1450 Site Improvement					
11	1460 Dwelling Structures					
12	1465.1 Dwelling Equipment—Nonexpendable					
13	1470 Non-dwelling Structures					
14	1475 Non-dwelling Equipment					
15	1485 Demolition					
16	1492 Moving to Work Demonstration					
17	1495.1 Relocation Costs					
18	1499 Development Activities <sup>4</sup>					
			14,993,413	14,993,413	6,440,473	0

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PIHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHHF funds shall be included here.

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Part I: Summary		FFY of Grant: 2018			
PHA Name:	Grant Type and Number	FFY of Grant Approval:			
Minneapolis Public Housing Authority	Capital Fund Program Grant No: MN46P00250118 Replacement Housing Factor Grant No: Date of CFP:				
Type of Grant					
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2018 <input type="checkbox"/> Revised Annual Statement (revision no: ) <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost	Obligated	Total Actual Cost <sup>1</sup>	Expended
18a	1501 Collateralization or Debt Service paid by the PHA	Original	Revised <sup>2</sup>		
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	14,993,413	14,993,413	6,440,473	0
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director: 		Date: 9/25/2015	Signature of Public Housing Director:		Date:

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.





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<b>Part I: Summary</b>		<b>Grant Type and Number</b>		<b>FY of Grant: Est. 2019</b>	
PHA Name: <b>Minnepolis Public Housing Authority</b>		Capital Fund Program Grant No: Estimated MN46P00250119		FY of Grant Approval:	
		Replacement Housing Factor Grant No:			
		Date of CFFP:			
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2018 <input type="checkbox"/> Revised Annual Statement (revision no: ) <input type="checkbox"/> Summary by Development Account <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Original	Total Estimated Cost	Obligated	Total Actual Cost <sup>1</sup>
			Revised <sup>2</sup>		Expended
1	Total non-CFP funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	14,881,179	14,881,179	0	0
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

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Part I: Summary

PHA Name: Minnneapolis Public Housing Authority	Grant Type and Number Capital Fund Program Grant No: Estimated MN46P00250119 Replacement Housing Factor Grant No: Date of CFFP:	FY of Grant Est. 2019 FY of Grant Approval:
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Type of Grant  
 Original Annual Statement  
 Performance and Evaluation Report for Period Ending: 12/31/2018  
 Reserve for Disasters/Emergencies  
 Revised Annual Statement (revision no: )  
 Final Performance and Evaluation Report

Line	Summary by Development Account	Original	Total Estimated Cost Revised <sup>2</sup>	Obligated	Total Actual Cost <sup>1</sup>	Expended
18a	1501 Collateralization or Debt Service paid by the PHA					
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment					
19	1502 Contingency (may not exceed 8% of line 20)					
20	Amount of Annual Grant:: (sum of lines 2 - 19)	14,881,179	14,881,179	0	0	
21	Amount of line 20 Related to LBP Activities					
22	Amount of line 20 Related to Section 504 Activities					
23	Amount of line 20 Related to Security - Soil Costs					
24	Amount of line 20 Related to Security - Hard Costs					
25	Amount of line 20 Related to Energy Conservation Measures					
Signature of Executive Director		Date		Signature of Public Housing Director		Date

*[Signature]*

9/25/2019

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CRP Grants for operations.  
<sup>4</sup> RHIF funds shall be included here.





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<b>Part I: Summary</b>			
PIHA Name: Minneapolis Public Housing Authority	Grant Type and Number Capital Fund Program Grant No: Estimated MN46P00250120 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant: Est. 2020 FFY of Grant Approval:	

Line	Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending:	Reserve for Disasters/Emergencies <input type="checkbox"/>	Revised Annual Statement (revision no: ) <input type="checkbox"/> Final Performance and Evaluation Report	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
				Original	Revised?	Obligated	Expended
1	Total non-CFP Funds						
2	1406 Operations (may not exceed 20% of line 21) <sup>2</sup>						
3	1408 Management Improvements						
4	1410 Administration (may not exceed 10% of line 21)						
5	1411 Audit						
6	1415 Liquidated Damages						
7	1430 Fees and Costs						
8	1440 Site Acquisition						
9	1450 Site Improvement						
10	1460 Dwelling Structures						
11	1465.1 Dwelling Equipment—Nonependable						
12	1470 Non-dwelling Structures						
13	1475 Non-dwelling Equipment						
14	1485 Demolition						
15	1492 Moving to Work Demonstration			14,881,179	14,881,179	0	0
16	1495.1 Relocation Costs						
17	1499 Development Activities <sup>4</sup>						

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PIHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF Funds shall be included here.

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Part I: Summary		FFY of Grant: Est. 2020 FFY of Grant Approval:	
PHA Name:	Grant Type and Number:		
Minneapolis Public Housing Authority	Capital Fund Program Grant No: Estimated MN46P00250120 Replacement Housing Factor Grant No: Date of CFPP:		
Type of Grant	<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies	<input type="checkbox"/> Revised Annual Statement (revision no: )	
<input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending:		<input type="checkbox"/> Final Performance and Evaluation Report	
Line	Summary by Development Account	Total Estimated Cost	Total Actual Cost <sup>1</sup>
		Original	Revised <sup>2</sup>
18a	1501 Collateralization or Debt Service paid by the PHA		Obligated
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		Expended
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant:: (sum of lines 2 - 19)	14,881,179	14,881,179
21	Amount of line 20 Related to LBP Activities		0
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
Signature of Executive Director		Date	Signature of Public Housing Director
		9/25/2019	

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PIAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.



