



# **2022**

## ***DRAFT MOVING TO WORK***

## **ANNUAL PLAN**

**Fiscal Year January 1 – December 31, 2022**

**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.*

Abdi Warsame, Executive Director/CEO

## 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 2022 MTW Annual Plan**

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## I. INTRODUCTION/OVERVIEW

### *Short-term and Long-Term Goals and Objectives*

MPHA's long-term trajectory follows two board-approved documents. The *Strategic Vision and Capital Plan* commits MPHA to a 20-year vision to preserve our public housing and elevate the families we serve today and tomorrow. Our *Guiding Principles for Redevelopment and Capital Investments* affirm that in our efforts to preserve our essential housing infrastructure, people will always come first. Both documents will never be more alive for MPHA and our Minneapolis community than in 2022.

As we draft next year's Moving to Work Annual Plan, the world around us is undergoing more than the usual amount of change. These immediate priorities will frame our work in 2022, as we continue to advance our long-term goals:

- **Safety and Health:** From the start of the COVID-19 pandemic, MPHA has acted decisively to protect and inform our households and employees, while we continued our core functions. We must remain vigilant against the general threat of pandemic diseases. Accordingly, our commitment to protecting health will remain near the top of our thoughts.
- **Adapting to New Ways of Doing Business:** We know that many traditional ways of interfacing with each other and with the public are over. MPHA will continue to adapt our processes and facilities to remain productive, accessible, compassionate, and effective in our mission.
- **Housing Stability:** Through a time of unprecedented economic turmoil, public housing, voucher, and MTW programs have shown their irreplaceable ability to protect the housing of low-income people despite what other changes life brings. We will continue to play this stabilizing force in our city—not only through our income-based programs, but through ongoing efforts to provide targeted, MTW-powered intervention where we can assist in other crises.
- **Confronting the Legacy of Structural Racism:** Public housing authorities address a burden created by centuries of policies that have blocked families of color from attaining safe, quality homes, building wealth through housing, or living in the neighborhoods of their choice. Our work every day continues to slowly unwind these years of damage. We will recognize new opportunities to speed this reckoning through our programs, and to advance the value of equity among our employees and the people we serve.
- **Living our Future:** For MPHA and MPHA residents, 2022 will bring the first tangible fruits of the long-term journey we began three years ago with the passage of our *Strategic Vision*. We will have completed a high-rise renovation larger and more comprehensive than any ever attempted in the State of Minnesota. We will begin a years-long process of renovating nearly 700 family housing units, while continuing our public ownership and management. We will also begin the redevelopment and expansion of this housing stock, with the construction of 84 new homes for the families we serve. Through a \$5.2 million award from HUD, MPHA in partnership with Metropolitan Council HRA will launch a first-of-its-kind regional partnership to empower more families with vouchers to live where they wish, across the Twin Cities. We look forward to modeling for our community the brighter future that we see ahead and learning from these initial steps down that road.



## 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 modify ways in others that advance the MTW objectives and better serve our local community.

### ***New Activity: Regional Moving to Work Agency (2021 – 1)***

MPHA will continue to pursue designation by the U.S. Department of Housing and Urban Development (HUD) as a Regional MTW Agency. With this designation, MPHA will partner with the Metropolitan Council Housing and Redevelopment Agency (Metro HRA) to establish a regional voucher program. Through such a program, the two agencies could apply MPHA's existing MTW flexibilities to jointly-committed pools of vouchers and combine our operations to streamline processes and eliminate barriers for families. The primary objective is to increase housing choice. They will accomplish this by making it easier to move between MPHA and Metro HRA service areas; empowering families with housing search assistance, social services, and financial assistance to live in neighborhoods of their choosing; and by jointly awarding project-based vouchers to stimulate affordable housing development and assure extremely low-income affordability in those developments. Implementation may be complex; we hope to begin our work together at a modest scale during 2022. *(MTW OBJECTIVES: HOUSING CHOICE, COST-EFFECTIVENESS)*

### ***New Activity: Pathways Forward***

MPHA's proposed activity is to enable households that are at or above 80% of the Area Median Income (AMI) to graduate from MPHA's RAD-PBV and PBV rental assistance programs to other types of affordable housing options and to be self-sufficient, by providing them with incentives, supports and adequate time.

MPHA's proposed activity would provide applicable households with incentives and opportunities to build wealth for their future housing choice as well as make investments in their family for further growth and development, prior to their graduating from a RAD-PBV or PBV unit and moving to another dwelling unit on the road to self-sufficiency.

For all assisted-properties, MPHA's waiting list of unassisted low-income households is over 8,000. MPHA is focused on providing quality, deeply affordable homes for the 26,000 people we serve in Minneapolis today and assuring these homes are here for decades to come — for those who need them most. To this end, we believe that this proposed activity will help us further this goal, by being able to assist other extremely-low, very-low and extremely low-income households.

MPHA's RAD-PBV scattered sites are located in every ward of the city and sought after for a number of reasons including but not limited to: there are larger-sized bedrooms – 3, 4 and 5 bedrooms - for larger-sized households that are scarce throughout the city at an affordable rent. MPHA's proposed new activity is intended to achieve statutory objectives of the MTW program including: (1) increasing housing choices; and (2) creating opportunities for families with children to become self-sufficient.

## Other Notable MTW-specific Updates

Under our *Rent Reform* activity, MPHA will move all households with housing choice vouchers to a triennial income recertification cycle. By moving all families to this cycle, MPHA advances the statutory objective of increasing incentives for self-sufficiency by allowing families to keep more of their growth in earned income. It will have the secondary effect of advancing the cost-effectiveness of the agency's operations, freeing up staff capacity for focus on other priorities that advance the wellbeing of families. In most cases, households will not be required to report to MPHA any interim changes in income or undergo an interim reexamination.

MPHA is amending the biennial recertification activity to recertify every three years (instead of biennially) for public housing households who are not on a fixed income. This allows residents keep more earned income and provides an opportunity for them to build savings rather than expend it on rent.

MPHA is adding an authorization to our *Local Project-Based Voucher Program* activity to enable MPHA to create a unified lease contract when units are converted to project-based vouchers in agency-owned properties. This will allow a straightforward carryover of resident-right and other provisions from the prior public housing lease, providing transparency and comfort to residents during these transitions.

MPHA is updating the applications of our *Supportive Housing for Youth* activity to include new sponsor-based partnerships for youth (including pregnant/parenting youth).

MPHA is updating *Affordable Housing Creation and Preservation Toolkit*. In addition to this Activity's potential role in the preservation of MPHA's public housing properties, language allowing use of funds for local, non-traditional activities (which was approved as part of MPHA's Second Amendment to the MTW Agreement) is being added. In addition, MPHA clarifies that MPHA may use this activity to commit MTW Funds for pledging and satisfying guarantee commitments related to Section 8 and Section 9 housing units and for other affordable housing eligible as local, non-traditional activities. MPHA will exclude from any such pledge or guarantee commitment the ability of any beneficiary to foreclose public housing assets as a means of fulfilling the pledge or guarantee.

MPHA is seeking authorization for expending MTW funds in connection with development loan guarantees as part of *Flexible Subsidy for Community Priorities* activity. MPHA would like to clarify that it will be permitted to pledge and use MTW funds for fulfilling Guarantees related to the production, rehabilitation, and financing of PBV, and other non-PBV low-income units, by its instrumentalities. We believe that this step would provide additional comfort to both MPHA and lenders or investors of MPHA's authority to proceed with these commitments. MPHA, and its instrumentalities intend to close on financing in 2022 that will require such guarantee commitments.

MPHA through *Local Project-Based Voucher Program* is implementing changes to local PBV program to increase efficiency. First, MPHA may simplify rent reasonableness practices, by means that may include among others (1) allowing a new annual rent to go into effect without a new rent reasonableness study when the new rent would be authorized under the previous rent reasonableness study, and (2) omitting rent reasonableness studies for particular units and instead explicitly relying on completed rent reasonableness studies already completed for units with similar characteristics (e.g., same bedroom size and neighborhood). Second, MPHA may stagger annual rent increase dates and may rely on increased fair market rents without rent reasonableness studies to authorize rent increases during interim periods that will facilitate the transition to staggered dates. For the Scattered Site residents that relocate during new construction will remain subsidized throughout the process, be relocated temporarily for the demolition and construction period and move into the new PBV-assisted units. The MPHA expects to use this activity both to assure they will be continuously subsidized and moved into the new construction.

The agency's overall activities during the year align under the three pillars of our *Strategic Vision and Capital Plan*: Housing Preservation and Creation; Education, Employment, and Health; and Operational Excellence. We explore them in more detail below.





## HOUSING PRESERVATION AND CREATION

Federal capital funds meet about 10 percent of the capital needs of MPHA's public housing portfolio. Throughout our history, MPHA has 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, in combination with federal funds, and consistent with our inviolable mission to provide housing for the city's lowest-income households. As this document is drafted, the current presidential administration has proposed a \$40B investment in capital funds through a large-scale infrastructure bill. These dollars would provide us a once in a lifetime opportunity to work toward completing the preservation and rehabilitation of our public housing portfolio.

Any MPHA development activity must satisfy our board-approved *Guiding Principles for Redevelopment and Capital Investments*. MPHA residents and community stakeholders shall have a clear understanding of our path, and comfort that resident rights are protected along the way. As a further layer of protection, a Memorandum of Understanding (MOU) between the city and MPHA expresses our shared commitment to investing in public housing, long-term public control, and protecting the rights of every resident.

In 2021, notable developments related to *Housing Preservation and Creation* include:

- Completing the Elliot Twins Renovation:** In fall 2021, MPHA expects to conclude the comprehensive rehabilitation and expansion of the Elliot Twins. In June 2020, MPHA converted the 174 units to project-based voucher subsidy under the Rental Assistance Demonstration (RAD) program, and the renovations will add another 10 units. The RAD conversion permitted MPHA to access state housing bonds and Low-Income Housing Tax Credits to undertake this \$27 million renovation—the largest public housing investment in Minnesota history, three times as large as any ever undertaken by MPHA. In addition to showing the power of these tools to fund major high-rise improvements, the Elliotts project is demonstrating the commitment and capacity of MPHA to provide temporary housing for residents affected by major construction work, with no permanent displacement. Most residents have chosen to remain on-site during construction. MPHA will continue to manage the property, with long-term affordability protected by a 99-year ground lease.
- Renovation Program for Scattered Site Homes:** MPHA will begin a multi-year process to make major repairs to preserve our scattered site portfolio—more than 700 units of family housing (four-plex, duplex, and mostly single-family) across the city. With additional tenant-protection-voucher funding as a result of a Section 18 conversion in October 2020, MPHA will leverage additional financing to assure our scattered site portfolio continues its essential mission while fully owned and managed by the agency's nonprofit, Community Housing Resources. MPHA takes pride in our commitment to carry out one of the largest public housing scattered site preservation projects in U.S. history. In addition to property improvements, the City of Minneapolis 2040 Comprehensive Plan allows MPHA to consider increasing density by adding units to sites. MPHA intends to replace a select number of scattered site units that have high capital needs and lot sizes that allow greater density with new, smaller apartment buildings with four to six units. These new units will be more efficient to operate and improve the livability of the units for tenants.

- **Additional Highrise RAD Applications:** Page nine features a list of properties where MPHA is considering applications for RAD conversions in 2022, 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 processes as required by HUD. MPHA's next RAD application(s) will likely follow a "RAD-with-debt model," which does not anticipate the use of tax credits yet addresses deferred maintenance and provides reserves that can address a property's future needs.
- **Ongoing Public Housing Capital Improvements:** Using the limited federal funds we receive, along with any successful applications for Minnesota Publicly Owned Housing Program grants, we will continue invest in high-priority repair and modernization projects, including building systems (plumbing, electricity, HVAC), elevators, window replacement, exterior masonry repairs, and fire suppression systems. *A more detailed discussion of 2022 capital activities and expenditures is found in Appendix F.* 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. MPHA may also continue targeted of the Quality Maintenance Program (QMP). MPHA's QMP uses data analysis, maintenance scheduling, and resident feedback to address likely work-order issues before they become critical, reducing resident inconvenience and saving money in the long-run. After learning from the pilot phase, MPHA's staffing approach for the QMP has shifted from an in-house crew to primarily contracting with third-party specialists.
- **Long-range Planning for Other Sites:** MPHA will continue or initiate conversations around various long-term initiatives to preserve and make optimal use of our assets. This includes stabilizing and converting the subsidies under MTW for units created under the Metropolitan Housing Opportunities Program, as well as our other scattered townhome units; continuing a master planning process to realize the long-term vision of the Heritage Park neighborhood; and long-term conversations about the Glendale Townhomes, where we are committed to redevelopment to provide modern units for current and additional families.
- **Project-Based Voucher (PBV) Awards:** PBVs empower MPHA to: 1) incentivize the creation of new affordable housing to meet demonstrated community needs, and 2) assure that a portion of that housing is not just affordable, but "deeply affordable" to those making below 30 percent of area median income (AMI). MPHA will continue to make well-considered PBV awards under our open request-for-proposals and will celebrate the opening of new developments with our partners in 2022.





## EDUCATION, EMPLOYMENT, AND HEALTH

MPHA will continue to expand our initiatives and partnerships devoted to economic opportunity, health, and wellbeing of seniors, working families, and all households we serve. In 2022, notable efforts will include:

- **The launch of our Regional MTW partnership with Metro HRA:** As discussed in the plan and in detail in Regional Moving to Work Agency (2021 – 1), MPHA will seek designation as a Regional MTW Agency, when HUD has issued a solicitation. This will enable a partnership we envision with Metro HRA to pool tenant-based vouchers to empower families with greater mobility—whether through physical movement or in-place investment—and to pool project-based vouchers to incentivize development across our shared regions. Both efforts will be directed toward economic advancement of families, with long-term goals of better education, employment, and health outcomes.

HUD announced in April 2021 that nine lead public housing authorities (PHAs) will participate in HUD's new Housing Choice Voucher (HCV) Mobility Demonstration. Under the demonstration, MPHA received 37 vouchers and Metropolitan Council Housing & Redevelopment Authority (MCHRA) received 37 vouchers. Through this Demonstration, these sites will provide families with children access to low-poverty neighborhoods with high-performing schools and other strong community resources. The Demonstration builds upon recent research that shows growing up in neighborhoods with lower levels of poverty improves children's academic achievement and long-term chances of success and reduces intergenerational poverty. Children who move to low-poverty neighborhoods have also been shown to experience lower rates of hospitalizations, lower hospital spending, and some changes in mental health over the long-term follow-up. Adults given the chance to move to low-poverty neighborhoods experience reductions in obesity and diabetes.

The Housing Choice Voucher Mobility Demonstration will support selected PHAs in addressing barriers to accessing housing choices by offering mobility-related services to increase the number of voucher families with children living in opportunity areas. In addition to offering mobility-related services, participating PHAs will work together in their regions to adopt administrative policies that further enable housing mobility, increase landlord participation, and reduce barriers for families to move across PHA jurisdictions through portability. The Demonstration will face a rigorous, independent evaluation to determine what services are most effective at helping families move to opportunity areas. HUD also intends to make materials developed for the demonstration available to all PHAs for use in their own communities.

MPHA's Mobility Voucher Program requires participant families to move to communities of greater opportunity within Minneapolis and the 7 County Metro Area. The program is structured to increase housing choices for families who are on MPHA's Section 8 HCV waiting list or are current Housing Choice Voucher participants who currently live in areas concentrated by poverty and who are willing and able to move to communities of greater opportunity.

The HCV Program continues to encourage all families to locate and obtain housing in communities of greater opportunity. Eligibility criteria for the Mobility Voucher Program is as follows: applicants must be currently living in a Minneapolis area impacted by race and poverty, have minor children, be employed, in job training or in school, and be willing to enter into a contract and relocate to an

area not impacted by poverty, for a minimum of three years.

The Mobility Community Services Coordinator will provide the Mobility families with case management services, referrals to community resources and employment / educational opportunities, as well as act as the liaison between the tenant family and the property owner. Working closely with the Community Services Coordinator-Mobility, families set goals, attend regular meetings, participate in workshops, and receive on-going case management throughout the entire time they are on program in order to achieve a greater level of self-sufficiency for their entire family.

- **Growth and Learning for *Stable Homes Stable Schools*:** *Stable Homes Stable Schools* is a partnership 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. Parents commit to engagement in their child's education. In 2021, the city of Minneapolis made *Stable Homes Stable Schools* a permanent part of the city budget. As we enter the third year of the original three-year pilot phase, we are assessing how and when families will step-down from the program. In 2022, we will continue to bring in additional families, and begin our work with researchers to conduct program assessment.
- **Expansion of Work by the Highrise Health Alliance:** Many MPHA high-rise residents experience unmanaged health and mental health conditions, with much higher rates of emergency room visits and hospitalization. In response MPHA, the Minneapolis Health Department, Minneapolis Highrise Representative Council (MHRC), and partners from local government and the healthcare sector have launched the Highrise Health Alliance. The alliance will bring together leaders from all sectors (health, mental health, social services, housing) to interpret data, identify priorities, and align services.
- **Extended Support for Residents Affected by COVID-19 and Loss of Neighborhood Services:** As of this drafting, the outlook is unclear for the lasting effects that COVID-19 and recent upheaval in some Minneapolis neighborhoods will continue to have on MPHA residents. At this time, we anticipate that we will continue to be engaged in 2022 with partners in the community on priorities such as on-site testing (and/or vaccination, when available).
- **Evolution of the Twin Cities Section 3 Collaborative:** 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, working with our regional partners (housing authorities, units of local government) to streamline enrollment and search processes to make it easier for Section 3-qualified people and businesses to connect with opportunities.



## OPERATIONAL EXCELLENCE

MPHA's 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. In 2022, we anticipate:

- **Completing our *OnePlatform* Transition:** MPHA completed a transition to a unified software system, Yardi Voyager, that replace our disparate systems in public housing, housing vouchers, and finance. The initial implementation of software was completed and we anticipate being fully operational across our functions in 2022. By undergoing this 3 system upgrade, we anticipate gains in productivity, cost savings, compliance, customer and employee satisfaction.
- **Defining Top-Level Service in the Post-Coronavirus Era:** MPHA employees rose to the challenge of adapting to an unprecedented challenge posed by the coronavirus and the way we do business. We have met our mission through a period of uncertainty and stress. As we come out of the pandemic, we anticipate that 2022 will be a year of creativity and adaptation, while we implement new ways of working together and of conducting crucial business with the families we serve.
- **Diving Deep on Agency Culture (including Diversity, Equity, and Inclusion):** MPHA is committed to looking at the role our housing programs play in addressing the historic legacy of structural racism in our community. In 2020 we began intensive work with to look internally at our own agency culture, our diverse and talented workforce, and our areas of strength and weakness. As we approach 2022, we have recommitted ourselves to institutional actions that draw and build upon the strength of the varied backgrounds and experiences of MPHA employees, and to increase this strength through our recruitment, hiring, onboarding, and training practices.

## PROPERTIES FOR WHICH MPHA MAY APPLY FOR HOUSING PRESERVATION PROGRAMS IN 2022

The purpose of this MTW Annual Plan is to forecast for HUD and the public MPHA's possible actions in the short- and long-term. In exploring our goals in advance of developing and based upon the current analysis of MPHA's portfolio, the public housing properties listed below *may be considered* in 2022 or 2023 for repositioning, redevelopment, and/or recapitalization. These activities include federal programs (such as RAD and Section 18), federal/state/local grants, and other opportunities.

Development	AMP	Units
37th Street Manor	MN002000007, Horn AMP	28
Art Love Manor	MN002000003, North AMP	66
Dickman Park Apartments	MN002000004, Northeast AMP	35
Franklin Towers	MN002000005, Hiawatha AMP	110
Friendly Manor	MN002000004, Northeast AMP	121
Hamilton Manor	MN002000003, North AMP	220
Heritage Commons	MN002000003, North AMP	102
Horn Towers	MN002000007, Horn AMP	491
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
Sibley Triangle Apartments	MN002000004, Northeast AMP	35
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

In the near term, including 2022, MPHA's most likely actions include an application for a subset of properties under a model sometimes called **"RAD with debt."** The purpose of such an application would be to stabilize the long-term federal subsidy (by conversion to project-based vouchers) at a set of properties where debt and other soft funding sources can address the properties' deferred maintenance needs as well as provide reserves to address future needs, without the use of tax credits.

As with any RAD conversion, the process must satisfy stringent federal requirements to protect residents, including:

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

If MPHA determines that RAD or another preservation process is feasible and in the interest of our mission and our community, MPHA will initiate the processes required by HUD for disclosure, notification, and resident engagement prior to any application.

## INFORMATION ON THE MPHA BUDGET

The following section contains information on MPHA's 2022 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 2021 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 that will most likely vary from this preliminary estimate.

### 2022 MTW Budget Summary

	MTW Single Fund				Total MTW Programs
	Public Housing Operations	MTW Housing Choice Vouchers	Capital Fund Program	MTW Initiatives	
<b>Sources</b>					
Tenant Revenue -Rents & Other	16,789,800	-	-	-	16,789,800
Federal - Operating Subsidies & Grants	20,394,500	-	1,646,400	-	22,040,900
Federal - Operating Subsidies & Grants (ARF)	3,061,800	-	-	-	3,061,800
Federal - Section 8 Admin Fee Subsidy	-	3,148,800	-	-	3,148,800
Federal - Section 8 HAP Subsidy	-	55,693,900	-	-	55,693,900
Federal - Capital Grants	-	-	23,454,300	-	23,454,300
City Contribution	375,000	947,300	1,000,000	-	2,322,300
Interest Income	140,000	9,000	-	-	149,000
Central Office Fee Revenue	-	-	-	-	-
Property Management Services Revenue	-	-	-	-	-
Other Revenues, Fees, & Grants	840,300	642,000	-	-	1,482,300
<b>Total Sources</b>	<b>41,601,400</b>	<b>60,441,000</b>	<b>26,100,700</b>	<b>-</b>	<b>128,143,100</b>
<b>Uses</b>					
Property Management and Program Admin	8,055,100	3,700,700	10,000	50,000	11,815,800
Administration	-	-	-	-	-
Development Administration	-	-	-	-	-
Fees to COCC	5,164,000	1,077,100	1,636,400	-	7,877,500
Tenant Services	976,000	-	-	-	976,000
Utilities	6,692,300	-	-	-	6,692,300
Maintenance	12,750,800	4,300	-	-	12,755,100
Protective Services	3,000,000	-	-	-	3,000,000
Insurance & Casualty Loss	1,891,200	39,600	-	-	1,930,800
Other General	2,156,000	157,000	3,050,000	-	5,363,000
Debt Service	1,793,500	-	-	-	1,793,500
Housing Assistance Payments	-	53,904,100	-	-	53,904,100
Capital Improvements & Equipment	350,000	-	22,125,000	-	22,475,000
<b>Total Uses</b>	<b>42,828,900</b>	<b>58,882,800</b>	<b>26,821,400</b>	<b>50,000</b>	<b>128,583,100</b>
<b>Net Operating Sources/(Uses)</b>	<b>(1,227,500)</b>	<b>1,558,200</b>	<b>(720,700)</b>	<b>(50,000)</b>	<b>(440,000)</b>
Transfer in/(Out) for MTW Single Fund	1,027,500	(1,798,200)	720,700	50,000	-
Transfer in/(Out) for Collection Losses	200,000	-	-	-	200,000
Transfer in/(Out) for Stable Homes Stable Schools	-	240,000	-	-	240,000
<b>Net Operating Sources/(Uses) after Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Estimated Reserves<sup>1</sup> as of Dec. 2021</b>	<b>12,415,000</b>	<b>980,900</b>	<b>-</b>	<b>-</b>	<b>13,395,900</b>
Budgeted Changes in Reserves	-	-	-	-	-
<b>Estimated Reserves<sup>1</sup> as of Dec. 2022</b>	<b>12,415,000</b>	<b>980,900</b>	<b>-</b>	<b>-</b>	<b>13,395,900</b>

<sup>1</sup> Reserves are defined as Unrestricted Net Position

## Fiscal Year 2022 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 2022 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 2022, MPHA’s 2022 MTW Budget estimates funding levels based on prior year appropriations. MPHA is planning that federal subsidies and grants will remain at the 2021 levels.

The 2022 MTW Budget estimates HUD will provide 96 percent of the Public Housing Operating Subsidy formula (approximately \$977,000 less than the amount of subsidy HUD considers is needed for MPHA’s housing stock). The HCV Program housing assistance payment (HAP) subsidy is anticipated to be funded at 99 percent of the formula amount, and the program administrative fees funded at only 84.87 percent of the formula amount. The budget also estimates that the public housing Capital Fund award will match the amount awarded to MPHA in 2021 (approximately \$16.36 million).

MPHA’s estimated loss of federal subsidy because of insufficient Congressional appropriations is \$2.1 million for 2022. The breakdown by appropriation account is presented in the following schedule.

	<b>Subsidy Formula Eligibility</b>	<b>2022 Budget (Prorated Subsidy)</b>	<b>Subsidy Loss</b>
Public Housing Operating Subsidy	24,433,600	23,456,300	977,300
MTW HCV HAP Subsidy	56,256,500	55,693,900	562,600
Admin Fee Subsidy	3,710,100	3,148,800	561,300
<b>Total Subsidy Loss due to Proration</b>			<b>2,101,200</b>

The Budget includes Asset Repositioning Funds (ARF) and Demolition/Disposition Transitional Funds (DDTF) that related to MPHA’s scattered sites sale. 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 outside the MTW block grant and at a level to meet the MPHA Section 8 payment standards for similar units.

The budgeted sources of funds is almost \$140 million. It is anticipated that \$23 million will come from Capital Fund Grant resources, nearly \$17 million from tenant rents, \$25 million from public housing operating subsidy, and nearly \$59 million in Housing Choice Voucher funding. The remaining funding for the activities comes from local sources, interest earnings, and repayment of housing assistance from other housing authorities whose voucher holders rent in Minneapolis.



On the spending side, the 2022 MTW Budget estimates spending at \$129 million. The budget assumes housing assistance to cover 4,603 MTW vouchers on average each month (includes the recently converted Elliotts public housing units) and continues MPHA's rent reform initiative with payment standards increased approximately 5% higher than the 2021 budget. The planned expenditures for major public housing building rehabilitation and new unit development, \$22.1 million, are detailed in Appendix F ("Planned Capital Expenditures") of this MTW annual plan.

In response to insufficient HUD funding for the public housing program's building improvements and operations 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 2022 (MPHA's fiscal year is January to December). Additionally, HCV HAP subsidy will be used to fund locally designed MTW Initiatives and program administration. 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	55,693,900
MTW Paid HAP Expenses (excludes Port-In)	52,956,800
<b>MTW HAP Gain/(Loss)</b>	<b>2,737,100</b>
Used for Capital Improvements	(720,700)
Used for HCV Administration	(938,900)
Used for Public Housing Operations	(1,027,500)
Used for Locally Designed MTW Initiatives and Program Administration	(50,000)
<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.

MTW reserves are projected at \$13.9 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. By way of comparison, MPHA holds \$13.9 million in reserves in the context of a \$129 million annual MTW budget and estimated \$150 million in capital needs.

The following schedule presents the 2022 MTW Budget in a slightly different format from what HUD requires on the HUD-50900.

## 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 Access ible	Adaptable
							0			

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	98	MPHA currently holds the ACC for 306 units which were a result of the Hollman v. Cisneros Consent Decree and many are located outside the City of Minneapolis. MPHA is working to operationalize a transition of the MHOP portfolio. MPHA is working in partnership with Metropolitan Council HRA (Metro HRA) to covert the units to PBV under their administration. This would involve MPHA completing a partial voluntary transfer of these units to Metro HRA and Metro HRA receiving TPV vouchers. This change will streamline operations for both the PHA and owners and the units will work with the PHA that operates in their jurisdiction
	98	Total Public Housing Units to be Removed in the Plan Year

**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).

**Planned New Project Based Vouchers**

MPHA/CHR is planning an 84 units new scattered site development that will consist of 16 sites and break ground in 2022. This project will result in the demolition of 22 units (Converted to project-based vouchers in 2020), 18 units of which currently have a HAP and project-based vouchers. Four of the units have been converted but are unassisted as the unit cannot pass HQS. MPHA will likely need to project base an additional 66 vouchers into the project.

Property Name	# of PBV Vouchers	RAD?	Description	AHAP?
MN002000009 AMP 9 MHOP	98	No	MPHA currently holds the ACC for 306 units that will be converted at some point to PBV. These units were a result of the Hollman v. Cisneros Consent Decree and many are located outside the City of Minneapolis. MPHA is working in partnership with Metro HRA to operationalize Phase 1 that would convert the 98 units outside of MPHA's jurisdiction. We will continue to work on a plan for PBV conversion for the 208 remaining MHOP units in MPHA's jurisdiction.	
Bloom Lake Flats	25	No	HIV/AIDS, high priority homeless, low income	No
3301 Nicollet	10	No	High priority homeless and low income	No
46 <sup>th</sup> & Hiawatha	24	No	Low income	No
Fire Station One	18	No	Long term homeless and low income	No
Exodus 2	56	No	Long term homeless, disabled and VASH	Yes
Minneapolis Supportive Housing	40	No	High priority homeless, disabled and low income families	No
Shelby Commons	12	No	Long term homeless, disabled, low income	No
Snelling Yards (Senior)	11	No	Elderly, VASH, low income	No
Snelling Yards (Workforce)	13	No	High priority homeless, low income, VASH	No
Wadaag Commons	16	No	Long term homeless, disabled, low income	No
Walker Methodist Raines	27	No	Long term homeless, elderly, disabled, low income	No

Plymouth Ave Apartments	7	No	Low income, high priority homeless, disabled	No
St. Stephens Housing	22	No	Long term homeless and disabled	No
Whittier Community Housing II	41	No	high priority homeless, low income	No
MIWRC LIHTC	19	No	Homeless and disabled families	No
Currie Commons	40	No	Disabled, high priority homeless, low income	No
Calvary Apartments	26	No	low income	No
Kyle Garden Square	27	No	low income	No
3030 Nicollet	12	No	Low income	No
2025 West River Road	25	No	Low income	No
Aeon 805 2nd	25	No	elderly, low income	No
Agra	18	No	Low income	No
	<b>612</b>		<b>Total New Vouchers to be 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
Crescent 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
Gateway Northeast	26	Committed	No	Preservation. Low-income, incl. long-term homeless.
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
The Louis	10	Leased/Issued	No	Serves low-income families.
Lutheran Social Services	12	Leased/Issued	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
Maya Commons	4	Leased/Issued	No	Serves low-income people
Minnehaha Commons	15	Leased/Issued	No	Homeless, senior, disabled, VASH.
MN Indian Women's Resource Center	13	Leased/Issued	No	Serves homeless, Native American families
Park Avenue Apartments (LSS)	10	Leased/Issued	No	Addition to existing HAP. Serves low-income people.
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

Penn Avenue Station	4	Leased/Issued	No	Serves low-income people.
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	25	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
The Redwell	22	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
14 <sup>th</sup> and Central	25	Committed	No	Low-income housing. projected
Wadaag Commons	16	Committed	No	Low-income, disabled homeless.
Snelling Yards	11	Committed	No	Homeless veterans (PBV VASH).
Scattered Sites	717	Leased/Issued	No	Low-income families.
Elliot Twins	184	Leased/Issued	Yes	Low-income adults.
	<b>1782</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 remains open to developing new or purchasing existing structures as opportunities arise to add units to our portfolio. Examples may include augmenting MPHA's stock of much-needed scattered site housing through redevelopment strategies that could include acquiring land adjacent to existing properties and/or developing small clusters of townhomes or other multi-unit developments. Funding sources for any such opportunities could include the Minnesota Housing Finance Agency, City of Minneapolis, Hennepin County, and other funders.
MPHA continues to operate their homeownership program; Lease-to-Own, which provides a pathway from rental to homeownership. At this drafting, MPHA expects to have sold 16 of the original 20, with four remaining (see LNT – Homeownership).
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, 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 2022.
MPHA will be holding units vacant due to modernization at our 1314 44 <sup>th</sup> Avenue North (MN2-37, AMP 3) building.

**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.

GENERAL DESCRIPTION OF ALL PLANNED CAPITAL EXPENDITURES DURING THE PLAN YEAR
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<p>MPHA bases its capital activities on an expected Capital Fund Program (CFP) allocation of \$16.3 million for 2022 CFP funded activities that were initiated under previous funding cycles, but not fully completed in prior years, will carry over and experience expenditures in 2022. Additionally, a portion of the activities slated for 2022's \$16.3 million budget will not be fully expended in 2022 and will carry into 2023. MPHA has estimated approximately \$26.8 million in Capital Fund expenditures for FY2022 targeting specific projects in five of its seven Asset Management Projects (AMPs). These capital activities and expenditures are based on multiple assumptions including: the need for MTW resources to close on the scattered sites new construction project; final formula amounts at the 2021 levels and receipt of grant by the end of March 2022; MPHA's ability to complete identified improvements within noted budgets at its properties despite challenges associated with construction and commodity markets in historic fluctuation.</p>
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<p>Included in the \$26.8 million Capital Funds expenditures are pre-development work associated with the scattered sites rehabilitation and new construction efforts, gap financing for the scattered sites new construction project, comprehensive building modernization; building systems upgrades, window and façade work, and ongoing fire suppression systems installations in our high-rise AMPs 3, 4, 5, 6, and 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.</p>
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**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. [NOTE TO READERS: Does not include PBV (estimated above) or non-MTW vouchers (estimated at 1274 in 2022).]

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	59,576	4,965
MTW Housing Choice Vouchers (HCV) Utilized	38,400	3,200
Local, Non-Traditional: Tenant-Based^	2,580	215
Local, Non-Traditional: Property-Based^	1,584	132
Local, Non-Traditional: Homeownership^	48	9
<b>Planned Total Households Served</b>	<b>102,188</b>	<b>8,521</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.

^ 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*
Tenant-Based	2020-3 Flexible Subsidy	600	50
	2018-2 GO Housing (SHSS)	1,800	165
Property-Based	2020-3 Flexible Subsidy	120	10
	2018-2 GO Housing	480	70
	2016 – 3 Supp. Housing for Youth	624	52
Homeownership	2010-4 Lease-To-Own Initiative	48	4

\* 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
<b>MTW Public Housing</b>	MPHA occupancy fell during the COVID 19 pandemic due to administrative decisions regarding work performed during the height of the pandemic. To address our occupancy rate, MPHA will open the family waiting list, which has been closed since 2019. In addition, MPHA has established a creative partnership with the Northside Achievement Zone (NAZ) which is a collaboration of organizations and schools helping families in a geographic "Zone" of North Minneapolis to prepare children to graduate from high school ready for college. Families and children move through a "cradle-to-career" pipeline that provides comprehensive support from pre-natal through college to career. Families who agree to move into the NAZ area are allowed to apply even when the waiting list is closed, with the requirement that they accept a unit in the "zone". MPHA public housing elderly/disabled waiting list remains open. MPHA is partnering with Hennepin County Homeless Hotels, this strategy provides a pipeline of applicants that are housing ready.
<b>MTW Housing Choice Voucher</b>	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, an incentive fund for property owners, and regional partnership.
<b>Local, Non-Traditional</b>	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 explore flexible subsidies that can be tailored to the needs of families, priorities of the community, and experience of 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	7,704	Open	Yes
Public Housing Family	Families with at least one dependent	7,092	Closed	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 may apply to multiple lists if they meet the eligibility criteria (and those lists are open; as of 2020/2021, HCV and PH lists are closed).

**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
Heritage Park (Site-Based)	MPHA may explore and, if feasible, implement a site-based waiting list for the 200 MHOP 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).

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

MPHA proposes the following MTW Activities in service to our community for 2022:

#### **Regional MTW Agency (2021 – 1)**

#### **Pathways Forward (2022-1)**

*Activity descriptions are on the following pages.*

## Regional MTW Agency (2021 – 1)

**Objective:** Housing Choice, Cost-Effectiveness

### Description

In its 2016 Appropriations Act, Congress authorized the Secretary of HUD to designate an existing MTW agency as a “regional Moving to Work agency” when the agency makes a request in partnership with one or more adjacent, non-MTW housing authorities. In June 2018, MPHA and the Metropolitan Council Housing and Redevelopment Authority (Metro HRA) submitted to the HUD Secretary a letter making such a request. Following extensive discussions among the parties, HUD communicated to MPHA a set of terms for the designation of MPHA as a Regional MTW Agency, which were subsequently approved by MPHA’s Board of Commissioners.

Upon implementation of this activity, MPHA and Metro HRA intend to establish a shared, regional voucher program oriented around three components:

- **PORTABILITY:** Combining policies, procedures, and certain operations will make it easier for families to move within our jurisdictions, and create efficiencies in the operations of both agencies.
- **MOBILITY:** The agencies propose to contribute vouchers to a joint pool where families might be served with enhanced housing-search assistance, enhanced rent support to afford neighborhoods with more expensive rents, and services focused on educational/economic empowerment for families in all neighborhoods.
- **PROJECT-BASED VOUCHERS (PBVs):** The agencies would combine their power to shape the development of affordable housing by other developers, and to assure deeply affordable housing within these developments, by jointly contributing and issuing PBVs under a combined Request for Proposals.

This effort is driven by the affordable housing and rent-burden crisis across the Twin Cities, and by compelling research demonstrating the positive health, education, and economic outcomes that families experience over time when they are empowered with more housing choices. It is secondarily motivated by the administrative burden on neighboring housing authorities created by large flows of voucher recipients porting from one jurisdiction to another.

MPHA’s MTW flexibilities allow for services and program-design that might not otherwise be possible for Metro HRA. For MPHA, the partnership will allow us to provide improved portability and mobility to Minneapolis families, while using the power of MTW to benefit our surrounding Twin Cities community, from which we are inextricable. Both of us together might be able to incent and shape PBV development in ways we could not do alone.

The agencies will govern their activities through a mutually agreeable, formally adopted Joint Powers Agreement. We have established that such an agreement is permissible under Minnesota law, and will submit such verification formally to HUD. All vouchers to which MTW activities are applied will be administered officially by MPHA, as per the terms previously adopted by MPHA’s Board of Commissioners, although the parties envision contributing as equals to the conceptualizing, decision-making, and execution of these efforts.

The activities bulleted above will apply existing, approved MTW flexibilities—no new authorizations are proposed at this time. Harmonizing our portability activities initially might not turn out to require MTW, although could benefit from approved Attachment C authorizations to establish alternate portability policies, and from MPHA’s single-fund flexibility as we establish a budget to support these efforts. Vouchers in the mobility pool could be subject to existing authorizations to set alternate payment standards, rent reasonableness, waiting list preferences, establish alternate property-owner incentive or damage policies, and to otherwise develop policies and procedures supportive to mobility. Joint efforts on PBVs will apply from the flexibilities approved in MPHA’s Local Project-Based Voucher program activity.

### **Schedule and Impact of Activity**

MPHA hopes to fully implement the activity in 2022 pending multiple procedural steps and extensive operational details to be determined by the partners. We expect these discussions may progress significantly even during the period between the drafting of this plan and its approval by HUD. Adoption by both parties of the Joint Powers Agreement will be a significant milestone. We understand further steps with HUD could include an amendment to MPHA’s MTW Standard Agreement.

The partners intend to begin modestly, growing as we learn. We will likely begin by harmonizing our portability policies and implementing obvious opportunities to streamline our interactions with each other and the experience of porting families. Initially, as of this writing, MPHA envisions each partner contributing 300 vouchers to a joint mobility pool, and 150 each to a PBV pool—although one effort will likely precede the other in the interest of pacing and learning.

These totals may include vouchers the partners receive through a joint application for HUD’s Mobility Demonstration Program, still pending at the time of this drafting.

Vouchers contributed shared tenant or project-based pools will be reallocated from existing stocks. Where the partners contribute vouchers to a mobility pool subject to higher payment standards, this could place some downward pressure on voucher utilization to achieve the benefit of better mobility and outcomes for families served. Given the scale at which we are beginning, however, we do not expect this pressure to be significant.

One way to assess cost implications would be the housing assistance payments (HAP) associated with the 450 projected jointly administered vouchers, or approximately \$372,600 annually using MPHA’s current average HAP. This HAP would be expended with or without this activity. On net, we expect the countervailing cost implications of this activity will include any savings from streamlining operations, especially with regard to staff time spent on portability in the initial year. (Staff savings on portability inform the CE metric estimates below; eliminating time related to ports to/from Metro HRA will bring an estimated decrease from 175 to 150 weekly staff hours on portability, at a staff rate of \$22.50/hr., with six months of program implementation projected for 2022. A counter-acting factor will be the additional expenses typically associated with mobility efforts. Given the early stage of planning and as-yet undetermined budget for this effort, any estimate of costs is highly speculative. Both agencies

will budget accordingly, per their agreement, for contributions to expenses related to mobility and administration. Staff efficiencies will be reaped at the individual agency level, with surplus resources redirected to operations.

### **Authorizations**

This activity is authorized under provisions of the 2016 Appropriations Act, specifically:

The Secretary may, at the request of a Moving to Work agency and one or more adjacent public housing agencies in the same area, designate that Moving to Work agency as a regional agency. A regional Moving to Work agency may administer the assistance under sections 8 and 9 of the United States Housing Act of 1937 (42 U.S.C. 1437f and g) for the participating agencies within its region pursuant to the terms of its Moving to Work agreement with the Secretary. The Secretary may agree to extend the term of the agreement and to make any necessary changes to accommodate regionalization. A Moving to Work agency may be selected as a regional agency if the Secretary determines that unified administration of assistance under sections 8 and 9 by that agency across multiple jurisdictions will lead to efficiencies and to greater housing choice for low-income persons in the region. For purposes of this expansion, in addition to the provisions of the Act retained in section 204, section 8(r)(1) of the Act shall continue to apply unless the Secretary determines that waiver of this section is necessary to implement comprehensive rent reform and occupancy policies subject to evaluation by the Secretary, and the waiver contains, at a minimum, exceptions for requests to port due to employment, education, health and safety. No public housing agency granted this designation through this section shall receive more funding under sections 8 or 9 of the United States Housing Act of 1937 than it otherwise would have received absent this designation.

This activity is not proposing any new statutory or regulatory authorizations beyond those previously approved by HUD as part of MPHA's MTW Annual Plans. The Regional MTW Activity may apply the Attachment C authorizations already approved under the following approved MPHA MTW activities:

- Mobility Voucher Program (2009 – 6)
- Rent Reform Initiative (2014 – 1)
- Goal-Oriented (GO) Housing (2018 – 2)
- Local Project-Based Voucher Program (2018 – 6)



**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).	0	150	N/A for Plan	N/A for Plan
<b>HC #5: Increase in Resident Mobility</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity	0	300	N/A for Plan	N/A for Plan
<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)*	\$102,375	\$87,750	N/A for Plan	N/A for Plan
* Estimated savings in staff time related to ports to/from Metro HRA, with six months of implementation projected in 2021.				
<b>CE #2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease)*	4550	3900	N/A for Plan	N/A for Plan
* Estimated savings in staff time related to ports to/from Metro HRA, with six months of implementation projected in 2021.				

Source: Internal agency data

## ***New Activity: Pathways Forward (2022-1)***

MPHA's proposed activity is to enable households that are at or above 80% of the Area Median Income (AMI) to graduate from MPHA's RAD-PBV and PBV rental assistance programs to other types of affordable housing options and to be self-sufficient, by providing them with incentives, supports and adequate time.

MPHA's proposed activity would provide applicable households with incentives and opportunities to build wealth for their future housing choice as well as make investments in their family for further growth and development, prior to their graduating from a RAD-PBV or PBV unit and moving to another dwelling unit on the road to self-sufficiency.

For all assisted-properties, MPHA's waiting list of unassisted low-income households is over 8,000. MPHA is focused on providing quality, deeply affordable homes for the 26,000 people we serve in Minneapolis today and assuring these homes are here for decades to come — for those who need them most. To this end, we believe that this proposed activity will help us further this goal, by being able to assist other extremely-low, very-low and extremely low-income households.

MPHA's RAD-PBV scattered sites are located in every ward of the city and sought after for a number of reasons including but not limited to: there are larger-sized bedrooms – 3, 4 and 5 bedrooms - for larger-sized households that are scarce throughout the city at an affordable rent. MPHA's proposed new activity is intended to achieve statutory objectives of the MTW program including: (1) increasing housing choices; and (2) creating opportunities for families with children to become self-sufficient.

Unassisted Applicant Households- Under both low-income public housing program (LIPH) and Housing Choice Voucher (HCV) and project-based voucher (PBV) programs, unassisted applicant households with area median gross income over 80% AMI, are ineligible for admission into these programs.

RAD-PBV & Section 18 - HUD's Rental Assistance Demonstration (RAD) rules allow households over 80% AMI that are continually assisted to remain in the units and overrides other requirements. For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. There is no equivalent rule under Section 18 regarding demolition/disposition. For flat rent paying households formerly in the LIPH program, who continue reside in their developments after conversion to the RAD-PBV program, MPHA allow them to continue paying a flat rent, until their next scheduled re-exam . For all other residents, there are no flat rents in MPHA's RAD-PBV scattered site units. Flat rents remain in effect until such time the households is determined to be over-income at or above 80% of AMI. For households who are not grandfathered at the time of conversion from public housing to RAD-PBV conversion, MPHA's over-income rules in RAD-PBV take effect, including the amount of rent and tenant-paid utility allowance they pay.

In a RAD-PBV or PBV development is owned or substantially controlled by an entity other than MPHA or its affiliate, non-profit or instrumentality, they have the right to request and receive maximum rent for their property under the LIHTC program. In this example, over-income households would receive 12-months advanced written notice and have the option to pay the rent and utilities at the allowable level, or to relocate to another development. In terms of PBV developments owned or substantially controlled by MPHA or its affiliate, non-profit or instrumentality, MPHA's rent reasonableness assessments which are comparable to the development at-hand, would be the basis for the gross rent charged. In this example, over-income households would receive 12-months advanced written notice over-income households will have the option to pay the rent and utilities at the rent reasonable level, or to relocate to another

development.

Graduation from RAD-PBV and PBV Programs - To facilitate the timely transition of all units to the RAD-PBV and PBV programs' platform, MPHA's HCV Department will take the lead in development of a high-household-income graduation program, using MPHA's approved MTW authorizations as necessary. Components may include: a temporary or term-limited, fixed subsidy for households as they leave RAD-PBV and PBV programs; facilitating access to homeownership education and readiness programs; examination for eligibility for MPHA's Lease-to-Own units; potential preference for families to regain access to a voucher or fixed subsidy if they experience a crisis.

Support and Referrals to Applicable Households - MPHA may explore other incentives including but not limited to: an escrow account similar to the Family Self-Sufficiency (FSS) program to among other things help them increase their savings; a one-time incentive if the households' assets for basic costs associated with moving to another unit are deemed insufficient. On a voluntary basis, MPHA may also connect households to help facilitate their access to homeownership, education and readiness programs; MPHA's Lease-to-Own units, and assistance in identifying affordable workforce housing if applicable. MPHA would also be able to provide residents with the information necessary to evaluate the possibility of applying for and moving into low-income housing tax credit (LIHTC) units at their applicable AMI categories and contact information for further exploration.

#### ACTIVITY METRICS INFORMATION

(placeholder)

#### COST IMPLICATIONS

(placeholder)

#### NEED/JUSTIFICATION FOR MTW FLEXIBILITY

(placeholder)

#### RENT REFORM/TERM LIMIT INFORMATION

(placeholder)

#### IMPACT ANALYSIS

(placeholder)

#### HARDSHIP CASE CRITERIA

(placeholder)

#### DESCRIPTION OF ANNUAL REEVALUATION

(placeholder)

#### TRANSITION PERIOD

(placeholder)

## IV. Approved MTW Activities

### Implemented Activities

	<i>Approved</i>	<i>Implemented</i>
Affordable Housing Creation & Preservation Toolkit	2020	2020
Asset Verification	2018	2018
Biennial Income Recertification (Public Housing)	2018	2018
Conversion of Subsidy and Capital for MHOP Units	2018	2018
Flexible Subsidy for Community Priorities	2020	2020
Goal-Oriented (GO) Housing Initiative	2018	2018
Independent Entity for Inspect./Rent-Reasonableness	2022	2020
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
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
Supportive Housing for Youth	2016	2016

### 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

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
Conversion of 312 Mixed-Financed PH Units to PBV	2010	2019	2020
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
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

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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

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

Approved and Implemented in 2020

**Objective:** Housing Choice

**Description/Update**

In the years ahead, MPHA will use 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, allowing use of funds for local, non-traditional activities (approved as part of MPHA's Second Amendment to the MTW Agreement), expanding current properties, acquiring new properties for purposes that serve our mission and families, we will employ MTW authorizations when necessary to execute projects that optimize the goals of housing choice and quality.

This activity, as its name conveys, will be the “toolkit” within which we will house these authorizations and report on their outcomes. Having certain authorizations in place also provides clarity and reassurance on the front-end to partners and to families that MPHA has the tools and flexibility to see visions through to reality.

The primary MTW components of this activity, as currently approved and implemented, 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 and property acquisition. Notes on these two components follow.

**Partnership:** MPHA's portfolio plan envisions working with tax-credit and other partners to create mixed-finance developments that preserve our housing and potentially expand our service to the community. We may also develop our properties with an eye to facilitating work by service-provider partners who can reach our residents with resources and improve quality of life. We believe the MTW authorization under Attachment C - C.7(a) provides assurance to all partners, and to residents, that any MTW waivers MPHA brings to bear in a development will be unimpeded by the partnership. For 2021, this includes our tax-credit financing partners and residents at the Elliot Twins, where a RAD conversion is complete, and construction is underway concluding in 2021. Residents and partners can feel confident under this authorization that MPHA's policies and programs remain fully applicable, notwithstanding the presence of a partner with an ownership stake.

**Acquisition:** Opportunities for property acquisition, by their nature, can arise quickly and are difficult to project with certainty. MPHA fully anticipates that it could be in a position to acquire, at good value to the public, properties that can be purposed for our community's housing priorities. For example, MPHA will look for opportunities to augment its stock of much-needed scattered site housing through redevelopment strategies that could include acquiring land adjacent to existing properties and/or developing small clusters of townhomes or other multi-unit developments. A waiver related to site acquisition requirements will allow MPHA to move quickly in such cases, acquiring sites without prior HUD approval (while understanding the agency must still meet all

site-selection requirements). MPHA does not have any such acquisitions underway or contemplated at this drafting.

The authorizations contemplated by this activity are integral to MPHA's *Strategic Vision* for the preservation of our public housing properties, and our *Portfolio Plan* that lays out the steps we will take and the mechanisms we will leverage to accomplish that vision. Both board-approved documents are available to the public. This *Affordable Housing Creation and Preservation Toolkit* is the framework under which any waivers needed to pursue the Portfolio Plan will be vetted, approved, and implemented.

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

MPHA does not plan any changes to the metrics, or data in the plan year. However, in addition to this Activity's potential role in the preservation of MPHA's public housing properties, language allowing use of funds for local, non-traditional activities (which was approved as part of MPHA's Second Amendment to the MTW Agreement) is being added. In addition, MPHA clarifies that MPHA may use this activity to commit MTW Funds for pledging and satisfying guarantee commitments related to Section 8 and Section 9 housing units and for other affordable housing eligible as local, non-traditional activities. MPHA will exclude from any such pledge or guarantee commitment the ability of any beneficiary to foreclose public housing assets as a means of fulfilling the pledge or guarantee.

<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	66 - Family Housing for Scattered Sites New Construction (This is 84 units less the 18 existing assisted units). Some of these units will likely be ADA these numbers are not available yet.  10 - (Disabled/ADA-compliant units) for the Elliotts	N/A for the Plan	N/A for the Plan
* Anticipated purchases did not occur; the 10 ADA-compliant units will come online in 2021.				

<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	174 Family Housing – Elliotts  700 Family Housing - for Scattered Sites Rehab & New Construction (682 rehab units plus 18 existing assisted units)	N/A for the Plan	N/A for the Plan



## Asset Verification (Activity 2018 – 4)

Approved and implemented, 2018

**Objective:** Cost-effectiveness

### 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 have been fully implemented in 2021.

### 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.

<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).	\$28,509	\$2,479	N/A for Plan	N/A for Plan
<b>CE#2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	1150 Hours	100 Hours	N/A for Plan	N/A for Plan
<b>CE#3: Decrease in Error Rate of Task Execution*</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average error rate in completing a task as a percentage (decrease).	1	0	N/A for Plan	N/A for Plan

\* Not an objective of this activity.

## **Biennial to Triennial Income Recertification for Non-Fixed Income Households in Public Housing (2018 – 3)**

Biennial Income Recertifications Approved and implemented, 2018. Amended, 2022

**Objective:** Cost-effectiveness, Self-Sufficiency

### **Description/Update**

This initiative, which was approved and implemented in 2018, changed income certification of non-elderly, non-disabled families to every other year, rather than annually. Residents may still request interim recertifications or utilize a hardship policy if they believe they are adversely affected by the biennial 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 for biennial recertifications for fixed-income households at each new, interim, or recertification. It is fully phased-in.

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

MPHA plans changes to this activity in the plan year. MPHA is amending this existing activity to recertify every three years (instead of biennially) for public housing households who are not on a fixed income. MPHA must reexamine the status of each tenant family relating to eligibility for continued occupancy, the rent charged and the household composition, once every three years for families who are not paying Flat Rent

MPHA has maintained its policy of reporting changes in income. MPHA's existing Statement of Operating Procedures state, "Once the Rent is established, the rate will be effective until the next scheduled reexamination unless there is a decrease in the income or an increase in income of \$100 or more per month. Tenant Family Members must report all changes in income, changes in source of income, or changes in household composition within five days. MPHA will not reduce Rent at an interim reexamination when the tenant has not cooperated with the scheduled re-exam. During an interim reexamination, only the information affected by the changes being reported will be reviewed and verified."

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

Residents may still request interim recertifications or utilize a hardship policy if they believe they are adversely affected by the triennial schedule.

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 and verify if there any new jobs that households did not report.

<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).	\$31,310	\$15,000	N/A for Plan	N/A for Plan
<b>CE#2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	1,263 Hours	632 Hours	N/A for Plan	N/A for Plan
<b>CE#5: Increase in Agency Rental Revenue*</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total Household contributions towards housing assistance.	\$20,050,000	\$20,500,00	N/A for Plan	N/A for Plan

\* Not an objective of this activity.

<b>SS#1: Increase in Household Income</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy in dollars (increase).	\$26,600	\$27,400	N/A for Plan	N/A for Plan
<b>SS#3: Increase in Positive Outcomes in Employment Status*</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?*</b>
(1) Employed Full-Time	400	0	N/A for Plan	N/A for Plan
(2) Employed Part-Time	800	0		
(3) Enrolled in an Educational Program	0	0		
(4) Enrolled in Job Training Program	0	0		
(5) Unemployed	300	0		
(6) Other	0	0		

\* Not an objective of this activity.

<b><i>SS#4: Households Removed from Temporary Assistance for Needy Families*</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving TANF assistance (increase).	265	250	N/A for Plan	N/A for Plan
<b><i>SS#8: Households Transitioned to Self-Sufficiency</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions for "self-sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided.	50	70	N/A for Plan	N/A for Plan
* Self-Sufficiency Definition: Public housing residents whose rent increased to the flat rent amount for their unit.				

<b>Estimate of Impact: Triennial Recertifications for Non-Fixed Income Households</b>				
<b>LIPH</b>	<b>2019</b>	<b>2020</b>	<b>2021 (YTD)</b>	<b>Avg Year-to-Year Monthly Rent</b>
Avg Monthly Rent	\$401	\$399	\$426	\$13
<b>Individual Affected Household Impact</b>				
Avg. retained earnings (Annual)				\$156
Avg. retained earnings (3 Years)				\$468
<b>Aggregate Impact (Annual)</b>				
Total Impacted Families (July 2021)				1178
Families forgoing reexam (2/3)				785
Monthly savings to families (reduced rent to MPHA)				\$10,205
Annual savings to families (reduced rent to MPHA)				\$122,460

### Methodology

1. Selected all active tenants in LIPH (excluding MHOP and Heritage Park)
2. Who also currently have a household member with income (greater than \$0) in a type that is not:
  - a. General Assist, Pension, Social Security, SSI
3. Generate the tenant rent amount on a monthly basis using historical 50058 data from 2019 to today
4. For each tenant active in a given year, calculate the average monthly rent per tenant per year

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

Approved and Implemented, 2018

**Objective:** Cost-effectiveness

### Description/Update

MPHA holds the ACC for 98 units of public housing in 16 cities in the Metropolitan Housing Opportunity Program (MHOP), as well as 206 mixed-finance units, 200 of them are 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 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 98 MHOP units outside of MPHA's jurisdiction, MPHA will work with HUD and in partnership with Metro HRA to operationalize a transfer of assistance and then conversion of the Public Housing Operating Subsidy and Capital Funds for this AMP to project-based vouchers (PBVs). This conversion will include a voluntary transition to Metro HRA. Metro HRA will then complete a streamlined voluntary conversion and receive Tenant Projection Vouchers. By converting these units to Metro HRA's program, tenants, and owners will receive the rewards of increased cost-effectiveness.

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)

MPHA plans no changes to the activity, metrics, or data in the plan year.

<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).	\$72,000	\$35,000	N/A in the Plan	N/A in the Plan

<b>CE#2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	1,136 Hours	550 Hours	N/A in the Plan	N/A in the Plan

<b>MPHA Metric</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of Units Converted	306	12	N/A in the Plan	N/A in the Plan

\*Activity in planning stage

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

Approved and Implemented in 2020

### **Objective:** Housing Choice **Description/Update**

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

Under this activity, MPHA can design and implement local, non-traditional (LNT) models of housing support to meet these needs and extend our reach to new families not currently served by MPHA. Such subsidies could be sponsor-based or directly administered by MPHA, with the form and conditions of the subsidy tailored to match the scale and objectives. In general, this activity provides MPHA with a broad range of ways to utilize funds directly or indirectly for housing opportunities for the people we are able to serve. Consistent with MPHA's MTW Agreement and HUD's Notice 2011-45 titled, "Parameters for Local, Non-Traditional Activities under the Moving to Work Demonstration Program," MPHA's rental housing subsidies within this activity includes but are not limited to: supportive housing programs and services; homeless/transitional housing programs and services; support of existing local rental subsidy programs; creation of unique local rental subsidy programs to address special needs populations. Service provision includes but is not limited to services for residents of other PHA-owned or managed affordable housing that is not public housing or Housing Choice Voucher assistance; services for low-income non-residents and supportive services subsidies or budgets for low-income families. In time, this activity could also embrace limited programs with a research objective. As community needs arise, MPHA would propose the specific additional uses of LNT subsidy in future plans as it deems appropriate.

In one existing partnership, MPHA provides a sponsor-based subsidy to a private housing partner in a development to provide new permanent housing to 10 previously homeless families whose head-of-household has a disability. Families will be referred from the Hennepin County Coordinated Entry system. Families will receive housing stabilization services, including case management and referrals to medical, mental health, and chemical health services.

This activity supports MPHA's ability to come to the table for rapid response in circumstances where families face near-term need for stabilization. The additional use of this activity in 2021 will be to address such acute eviction and homelessness crises in Minneapolis, identified by MPHA and local government partners, using fixed-amount and term-limited rental subsidy support. At this drafting we project assisting up to 50 households in this way.

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

MPHA does not plan any changes to the metrics or data in the plan year. However, MPHA is seeking authorization for expending MTW funds in connection with development loan guarantees as part of this activity.

Attachment C of the MTW Agreement regarding "Single Fund Budget with Full Flexibility" defines "MTW Funds" as funding awarded to the agency annually for the public housing Capital Fund, public housing Operating Fund and Section 8 vouchers. Attachment C also states that the MPHA may use those funds for any activity that otherwise would be eligible under those sections of the Act. The agreement also includes housing development activities as among those eligible expenditures, to include but not be limited to a number of listed activities



including financing and other related activities.

MPHA would like to clarify that it will be permitted to pledge and use MTW funds for fulfilling Guarantees related to the production, rehabilitation, and financing of PBV, and other non-PBV low-income units, by its instrumentalities. We believe that this step would provide additional comfort to both MPHA and lenders or investors of MPHA's authority to proceed with these commitments. MPHA, and its instrumentalities intend to close on financing in 2022 that will require such guarantee commitments.

<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	10 (Families, generally with HOH disability at the Elliotts)	N/A for the Plan	N/A for the Plan
<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	174	N/A for the Plan	N/A for the Plan
<b>HC #5: Increase in Resident Mobility</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a new or better unit and/or neighborhood as a result of the activity (increase)	0	80	N/A for the Plan	N/A for the Plan
<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	10	N/A for the Plan	N/A for the Plan

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

Approved and Implemented, 2018

### 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 may 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:
- D. Priority for flexible vouchers for successful graduates who secure a job in an area that requires a move
- E. Rent reductions/income disregards for employment, childcare and/or education and training support
- F. Parent rewards for participating in school (family conferences, PTO activities or other school-family initiatives)

Specific 2022 initiatives under GO Housing are as follows:

**Stable Homes Stable Schools:** 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.

In its first year (2019), 79 families were eligible for rental assistance, with 271 children. The program serves around 100 families at mid-2020. 2021 will begin the third year of the three- year pilot, and the partners expect to integrate an evaluation component to understand achievements and consider next steps. In 2021, we anticipate the program will serve approximately 165 families with rental assistance. The long-term outlook for the program depends upon Minneapolis city funding, results of the program analysis, and decisions by the Minneapolis City Council. Families who receive rental assistance through SHSS will continue to receive it for at least three years, regardless of when they enter the program.

**Great River Landing:** Great River Landing is a partnership focused on ex-offenders committing to a program of job-training and employment. MPHA’s sponsor-based subsidy supports housing for 40 participants at Great River Landing, a 72-unit building that opened in 2020. 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.

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

Program applications have expanded to include the supportive-housing-for-youth and employment/savings incentive pilot described above. Otherwise, MPHA does not plan any changes to the activity, metrics, or data in the plan year.

**SS#1: Increase in Household Income**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).*	\$24,976	\$25,376	N/A for the Plan	N/A for the Plan

*\*Income of families with employment income.*

**SS#2: Increase in Household Savings**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow of households affected by this policy in dollars (increase).	0	0	N/A for the Plan	N/A for the Plan

*\*Asset information is not collected and there is no escrow program for this activity.*

**SS#3: Increase in Positive Outcomes in Employment Status**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(1) Employed Full-Time	7	20	N/A for the Plan	N/A for the Plan
(2) Employed Part-Time	15	30		
(3) Educ. Program	N/A	0		
(4) Job Training Program	N/A	0		
(5) Unemployed	22	10		
(6) Other	0	0		

**SS#4: Households Removed from Temporary Assistance for Needy Families**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	25	15	N/A for the Plan	N/A for the Plan

*\* Given ongoing program expansion to new homeless families, we would expect growth in this number (in the initial years) to outweigh families who advance toward self-sufficiency.*

**SS#5: Households Assisted by Services that Increase Self-Sufficiency**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	0	70	N/A for the Plan	N/A for the Plan

**SS#6: Reducing Per Unit Subsidy Costs for Participating Households**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	\$0	0	N/A for the Plan	N/A for the Plan

*\* Families served by SHSS are not currently served by MPHA.*

**SS#7: Increase in Agency Rental Revenue**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total Household contributions towards housing assistance (increase).	0	0	N/A for the Plan	N/A for the Plan

*\*Not a feature of the one program currently covered by this activity.*

**SS#8: Households Transitioned to Self-Sufficiency**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).*	0	10	N/A for the Plan	N/A for the Plan

*\*Self-Sufficiency defined as graduation / no longer requiring subsidy.*

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

**Objective:** Cost-Effectiveness

### Description/Update

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 conducts inspections and determines rent reasonableness for MPHA-owned units under this activity. Eliminating the independent entity is intended to improve administrative efficiencies, eliminate confusion for the resident of the unit, and improve the response time for performing inspections.

This activity is implemented and will be ongoing in 2021 and beyond, covering MPHA's agency-owned PBV portfolio: 717 units of scattered site housing converted to project-based vouchers using HUD's Section 18 program, and 184 units from the high-rise RAD conversion at the Elliot Twins. These activities will be subject to MPHA's voucher program Quality Control (QC) processes.

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

MPHA does not plan any changes to the activity, metrics, or data in the plan year.

<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).	\$51,000	2020: \$35,700 (30% decrease)	N/A for the Plan	N/A for the Plan
<p><i>* Metrics for this activity could not be calculated for 2020, as the activity was not fully implemented given the conditions of COVID-19. Under appropriate HUD waivers, MPHA did not perform the inspections it would otherwise have performed under this activity, thus providing a basis to calculate metrics. We expect to fully implement in 2021.</i></p>				

<b>CE#2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	0	2020: -700 hours (increase)*	N/A for the Plan	N/A for the Plan
* MPHA does not currently spend any staff time inspecting these units, so the baseline is zero. This activity uses MPHA staff in lieu of paying a third party, so we would expect an <u>increase</u> in staff time, which will be reported here as a negative number.				
<b>CE#3: Decrease in Error Rate of Task Execution</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average error rate in completing a task as a percentage (decrease)*	50%	2020: 50%	N/A for the Plan	N/A for the Plan
*Measured as the percentage of units that fail initial HQS inspection. MPHA does not expect this activity to fundamentally change those dynamics, but will track and observe outcomes.				

## Lease-To-Own Initiative (2010 – 4)

Approved in 2010, Implemented in 2012

**Objectives:** Housing Choice, Self-Sufficiency

### 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 anticipates that as of 2021 we will have sold 11 units of the original 20, crossing the half-way point. We will continue our work with current ambitions to close on three additional homes in 2021.

### 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.

<b>SS #1: Increase in Household Income</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy in dollars (increase).	\$39,000	\$53,176	N/A for the Plan	N/A for the Plan



**SS #2: Increase in Household Savings**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow of households affected by this policy in dollars (increase).*	0	\$750 per-household average	N/A for the Plan	N/A for the Plan

**SS #8: Households Transitioned to Self Sufficiency**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions for "self-sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided.	0	2	N/A for the Plan	N/A for the Plan

**HC #5: Increase in Resident Mobility**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	0	N/A for the Plan	N/A for the Plan

*\* This metric is not applicable to this activity, as the townhomes are not in an area of opportunity.*

**HC #6: Increase in Homeownership Opportunities**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households that purchased a home as a result of the activity (increase).	0	4	N/A for the Plan	N/A for the Plan

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

Approved and Implemented: 2018

### 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 option to determine the content of contract rental agreements that differ from otherwise mandated program requirements. This includes continuation of certain public housing lease, grievance, due process-related, and other provisions at properties that have undergone subsidy conversion, as a service to residents who undergo these transitions.
- Application of other relevant MPHA policies to the Local PBV program, including MTW authorizations under MPHA's approved Rent Reform activity (2014 – 1).
- When currently served families in public housing reside in units converted to project-based vouchers (PBVs), MPHA intends to promote housing stability and continuity, as consistent with its mission and its *Guiding Principles for Redevelopment and Capital Investments*.
  - With respect to a family living in an under-occupied scattered-site unit when MPHA converts the unit from public housing to PBV, the unit may receive PBV assistance and the family may remain in the unit until an appropriate-size scattered-site unit becomes available. If MPHA determines that there will be no appropriate-size scattered-site unit within a reasonable time,

MPHA may offer a more nearly appropriate-size scattered-site unit. WhenMPHA offers an appropriate-size or more nearly appropriate-sizescattered-site unit, the family living in the under-occupied scattered-site unitmust move to the appropriate-size or more nearly appropriate-size scattered-site unit within a reasonable period determined by MPHA.

- With respect to a family living in an over-crowded scattered-site unit whenMPHA converts the unit from public housing to PBV, the unit may receive PBV assistance and the family may remain in the unit. If the unit is over- crowded according to HQS standards, MPHA will provide the family a priority for a transfer to a scattered-site or other unit consistent withapplicable standards. MPHA may provide a Housing Choice Voucher, if the Executive Director or designee determine in their sole discretion that avoucher is available for this purpose and is the most reasonable means ofproviding adequate housing to the family.
- The MPHA may revisit these policies after a reasonable transition period for conversion of the scattered sites from public housing to PBV.

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 vouchers—includingveterans (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. Under the RFP, MPHA will continue to make PBV awards and lease up units in 2021 and beyond.

By 2021, MPHA will have project-based for the first time at properties owned by the agency, following subsidy conversions under RAD and Section 18. Any future such applications are contemplated elsewhere in this plan, and would follow the required and transparent course.

Note that starting with the 2020 plan, this activity integrated two closed-out activities:Shelter to Home - PBV (2016-1); Targeted Project-Based Initiative (2011-1).

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

There are no changes to metrics or data.

MPHA is incorporating a relevant authorization under Attachment C, D.2.b. (waiving 24 CFR 982.308f), under which “the Agency is authorized to determine contract rents and increases and to determine the content of contract rental agreements that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations.” In executing its first public housing preservation subsidy conversions, we noted the potential value, for public housing residents and as a matter of administrative efficiency, of being able to preserve terms from public housing leases and lease-related documents. MPHA desires this authorization going forward, including an RAD applications MPHA might make in 2021 or beyond, as a further assurance that public housing resident protections are preserved notwithstanding a conversion (except as otherwise required by law). At this time MPHA is interested in implementing only in the second (“contract rental agreements”) portion of this authorization. We would propose an update and explain in future proposed plans if we sought to apply the first part related to modifying contract rents.

MPHA may implement changes to the local PBV program to increase efficiency in several respects, now that MPHA has converted over 700 scattered-site units to PBV. First, MPHA may simplify rent reasonableness practices, by means that may include among others (1) allowing a

new annual rent to go into effect without a new rent reasonableness study when the new rent would be authorized under the previous rent reasonableness study, and (2) omitting rent reasonableness studies for particular units and instead explicitly relying on completed rent reasonableness studies already completed for units with similar characteristics (e.g., same bedroom size and neighborhood). Second, to even out management staff workload, MPHA may stagger annual rent increase dates and may rely on increased fair market rents without rent reasonableness studies to authorize rent increases during interim periods that will facilitate the transition to staggered dates.

<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	25  66 Family Housing – Scattered Sites New Construction. (This is 84 units less the 18 existing assisted units).	N/A for the Plan	N/A for the Plan
<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	891  18 Family Housing – Scattered Sites New Construction. (18 existing assisted units that will be redeveloped)	N/A for the Plan	N/A for the Plan
* Ten scattered site units were not immediately converted because of in-progress modernization. Conversion is expected in 2021.				

In 2022, subject to applicable HUD approvals, MPHA expects to undertake the demolition of 22 PBV-assisted scattered site units and their replacement after a 3-6 month demolition and construction period with 84 PBV- and low-income housing tax credit-assisted modular units on those sites. Current residents will remain subsidized throughout the process, be relocated temporarily for the 3-6 month demolition and construction period and move into the new PBV-assisted units. The MPHA expects to use this activity both to assure that the residents' treatment reflects the reality that they will be continuously subsidized and moved into the new construction and to facilitate the HAP contract transition from the current PBV units to the modular PBV units. MPHA would not provide notice for terminating contracts under 24 CFR 983.206, or allow residents to move with their assistance under HUD Notice PIH 2017-21, Attachment K (implementing new Section 8(o)(13)(F)(iv) of the U.S. Housing Act of 1937 added by the Housing Opportunity Through Modernization Act of 2017), irrespective of any potential applicability of these provisions. MPHA also may modify HAP and/or AHAP contract rules as needed to allow for partial assignment of the current HAP contract to the new units with the necessary contract revisions, for that assignment or the commencement of new HAP contracts on a staggered basis as households move into the completed units, or as otherwise needed to assist the transition for these households and MPHA and satisfactory to the participating lender(s) and tax credit investor(s).

<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	200*	N/A for the Plan	N/A for the Plan
*This benchmark turned out to be higher than the number of families who were ultimately affected by the change. While short of the benchmark, the outcome is considered fully successful, as every family intended to be protected under this activity was protected and remained housed.				

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

Approved in 2009, Implemented in 2012

**Objective:** Cost-effectiveness

### 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 high-rise 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.

CE #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$78,349	\$31,335	N/A for Plan	N/A for Plan
CE #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	3161 hours	1264 hours	N/A for Plan	N/A for Plan
CE #5: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Rental revenue in dollars (increase).	\$14,437,400	\$20,000,000	N/A for Plan	N/A for Plan

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

Approved in 2010 and Implemented in 2011

**Objective:** Cost-Effectiveness

### 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.

CE #5: Increase in Agency Rental Revenue - Public Housing				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Rental revenue in dollars (increase).	\$221,400.00	\$450,000	N/A for Plan	N/A for Plan

## Mobility Voucher Program (2009 – 6)

Approved in 2009, Implemented in 2010

**Objective:** Housing Choice

### 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 2022, it is possible our mobility efforts under this activity could be synced with work we might undertake as part of our proposal to form a Regional MTW Agency (see Activity 2021 – 1).

HUD announced in April 2021 that nine lead public housing authorities (PHAs) will participate in HUD's new Housing Choice Voucher (HCV) Mobility Demonstration. Under the demonstration, MPHA received 37 vouchers and Metropolitan Council Housing & Redevelopment Authority (MCHRA) received 37 vouchers. Through this Demonstration, these sites will provide families with children better access to low-poverty neighborhoods with high-performing schools and other strong community resources. The Demonstration builds upon recent research that shows growing up in neighborhoods with lower levels of poverty improves children's academic achievement and long-term chances of success and reduces intergenerational poverty. Children who move to low-poverty neighborhoods have also been shown to experience lower rates of hospitalizations, lower hospital spending, and some changes in mental health over the long-term follow-up. Adults given the chance to move to low-poverty neighborhoods experience reductions in obesity and diabetes.

The Housing Choice Voucher Mobility Demonstration will support selected PHAs in addressing barriers to accessing housing choices by offering mobility-related services to increase the number of voucher families with children living in opportunity areas. In addition to offering mobility-related services, participating PHAs will work together in their regions to adopt administrative policies that



further enable housing mobility, increase landlord participation, and reduce barriers for families to move across PHA jurisdictions through portability. The Demonstration will face a rigorous, independent evaluation to determine what services are most effective at helping families move to opportunity areas. HUD also intends to make materials developed for the demonstration available to all PHAs for use in their own communities.

MPHA's Mobility Voucher Program requires participant families to move to communities of greater opportunity within Minneapolis and the 7 County Metro Area. The program is structured to increase housing choices for families who are on MPHA's Section 8 HCV waiting list or are current Housing Choice Voucher participants who currently live in areas concentrated by poverty and who are willing and able to move to communities of greater opportunity.

The HCV Program continues to encourage all families to locate and obtain housing in communities of greater opportunity. Eligibility criteria for the Mobility Voucher Program is as follows: applicants must be currently living in a Minneapolis area impacted by race and poverty, have minor children, be employed, in job training or in school, and be willing to enter into a contract and relocate to an area not impacted by poverty, for a minimum of three years.

The Mobility Community Services Coordinator will provide the Mobility families with case management services, referrals to community resources and employment / educational opportunities, as well as act as the liaison between the tenant family and the property owner. Working closely with the Community Services Coordinator-Mobility, families set goals, attend regular meetings, participate in workshops, and receive on-going case management throughout the entire time they are on program in order to achieve a greater level of self-sufficiency for their entire family.

#### **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.

<b><i>HC #5: Increase in Resident Mobility</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity	0	45	N/A for the Plan	N/A for the Plan

<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	0	45	N/A for the Plan	N/A for the Plan

## Property Owners Incentive Program (2018 – 1)

Approved and implemented, 2018

**Objectives:** Housing Choice

### Description/Update

MPHA and the City of Minneapolis partner 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 effect 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 maintain to this activity in the plan year, but also expand it to allow for the possibility that MPHA would be able to utilize its funding in this manner without necessarily using financial support from the City of Minneapolis. MPHA would also like to utilize its funds in this manner in conjunction with its Flexible Subsidy for Community Priorities (2020 – 3) described above.

<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	30	N/A for the Plan	N/A for the Plan
<b>HC#5: Increase in Resident Mobility</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase)	0	15	N/A for the Plan	N/A for the Plan
<b>MPHA Metric</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Increase in the number of new owners in opportunity areas of the City of Minneapolis	0	15	N/A for the Plan	N/A for the Plan

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

Approved and Implemented in 2011

**Objectives:** Self-Sufficiency

### 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.

<b><i>SS #1: Increase in Household Income</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy in dollars (increase).	\$15,970	\$23,000	N/A for Plan	N/A for Plan
<b><i>SS #3: Increase in Positive Outcomes in Employment Status</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
(6) Other - Households with earned income.	1,241	1,200	N/A for Plan	N/A for Plan
(Expressed as percent)	21%	20%		

**SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	546	400	N/A for Plan	N/A for Plan

**SS #6: Reducing Per Unit Subsidy Costs for Participating Households\***

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	\$306	\$315	N/A for Plan	N/A for Plan

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

**SS #7: Increase in Agency Rental Revenue****SS #7: Increase in Agency Rental Revenue**

Unit of Measurement	Baseline (2009)	Benchmark	Outcome	Benchmark Achieved?
Total Household contributions towards housing assistance (increase).	\$14,437,400	\$21,000,000	N/A for Plan	N/A for Plan

**SS #8: Households Transitioned to Self Sufficiency**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions for "self-sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided.	270	250	N/A for Plan	N/A for Plan

\* Self-Sufficiency Definition: Public housing residents whose rent increased to the flat rent amount for their unit.

## 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 Statement of Corporate Policies and HCV Program Procedures:

- 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 per year. Between recertifications, household members who are employed are not required to report increases in earned income. Unemployed household members (*change to "households with no earned income"*) must report any subsequent employment. Increases in unearned income for any household member and changes in household composition must still be reported. MPHA does not require notification of increases of income that do not require an interim.
- 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. 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.
- k) Triennial Recertification for All Families [UPDATED]:** All households will undergo recertification once every three years. MPHA will perform recertification on a rolling basis, with approximately 1/3 of families recertified each year.

*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)**

MPHA is adding item (k), to move all households subject to this activity to a triennial recertification cycle. Related to this change, the narrative modifies item (e) to remove references to "annual" certifications, and clarify interim recertification policy. This change is authorized by Attachment C - D.1(c), which is already approved under this activity.

MPHA currently recertifies households on *fixed* incomes triennially. By moving all families to this same cycle, MPHA advances the statutory objective of increasing incentives for self-sufficiency

by allowing working families to retain more of their growth in earned income. It will have the secondary effect of advancing the cost-effectiveness of the agency's operations, freeing up staff capacity to focus on other priorities that advance the wellbeing of families.

Households will not be required to report to MPHA any interim changes in income, or undergo an interim reexamination, unless this increase represents an initial introduction of earned income for a household that previously had none. Changes in household composition will also still require reporting and trigger an interim reexamination. MPHA will continue to process interim examinations as today, and adjust rent downward as warranted, where families experience a decline in household income.

MPHA will recertify one-third of families in 2021, an additional third in 2022, and the remaining third in 2023, with each family experiencing triennial certification going forward.

We do not anticipate that this change, by its construction, would have an adverse impact upon any families. However, should any situation arise, MPHA's standard rent reform hardship policy would apply.

MPHA has conducted a basic impact analysis by looking at the average change in tenant payment over the prior 12 months, and calculating the impact if families retained these payments (rather than undergo annual or interim reexamination). Since fixed-income HCV households are already certified triennially, this change would affect only households with earned (employment) income, who are now recertified annually.

Estimate of Impact: Triennial Recertifications			
<i>MTW/RentReform VOUCHERS</i>	Avg. Monthly Tenant Payment (2019)	Avg. Monthly Tenant Payment (2020)	Average Year-over-Year Increase in Tenant Payment
Households with Earned Income	\$ 451.00	\$ 470.00	\$ 19.00
Individual Affected Household Impact			
Avg. retained earnings (Annual)			\$ 228.00
Avg. retained earnings (3 Years)			\$ 684.00
Aggregate Impact (Annual)			
Total EA families (July 2020)			1660
Families forgoing reexam (2/3)			1107
Monthly savings to families (additional HAP from MPHA)			\$ 21,027
Annual savings to families (additional HAP from MPHA)			\$ 252,320



The impact on families is positive. With an average increase in monthly tenant payment of \$19, a household would retain \$228 per year (\$684 between triennial recertifications). On an aggregate basis, assuming 1/3 of families recertified each year, this amounts to \$252,320 in retained earnings for families.

Conversely, this represents \$252,320 in additional HAP payments that MPHA would make—a measure of the cost implications of this change. We believe this is outweighed by the benefit to MPHA families and by staff time savings. This basic model also does not account for the effect of the earning incentive created by this policy, which could lead to higher growth in family income over time compared to the status quo—a positive outcome for both families and the PHA.

There are no other changes to this activity, nor to metrics or data collection.

<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 (budget for Section 8 HCV program – expenses)	\$44,451,999	\$50,578,800	N/A for the Plan	N/A for the Plan
<b>CE #2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	0*	0*	N/A for the Plan	N/A for the Plan
* In assembling this report, MPHA has looked closely at our prior reporting on this metric and investigated the capacity of our existing internal data sources to measure baselines and outcomes. Our review has determined that we are currently unable to measure this metric in a verifiable, usable way. MPHA will continue exploring whether to reinstate this metric in the future.				
<b>CE #3: Decrease in Error Rate of Task Execution</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average error rate in calculating adjusted income as a percentage	12.6% error rate in adjusted income calculation	4% error rate in adjusted income calculation	N/A for the Plan	N/A for the Plan
<b>SS #1: Increase in Household Income</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average income from employment	\$17,495	\$25,611	N/A for the Plan	N/A for the Plan
* Among employed households.				

**SS #3: Increase in Positive Outcomes in Employment Status**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
6. Other – work-able households with earned income*	1,504 heads of households had earned income  58% of work-able households had a head of household with earned income	1825 heads of households had earned income  70% of work-able households had a head of household with earned income	N/A for the Plan	N/A for the Plan

"Work-able" is defined as a HOH that is not elderly or verified as disabled.

**SS #4: Households Removed from Temporary Assistance to Needy Families (TANF)**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance	2,418	450	N/A for the Plan	N/A for the Plan

**SS #6: Reducing Per Unit Subsidy Costs for Participating Households**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average per unit cost	\$730	2020 - \$751.00 (1.6% COLA 2020)	N/A for the Plan	N/A for the Plan

**SS #8: Households Transitioned to Self-Sufficiency**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions for "self-sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided.*	14	2020: 350	N/A for the Plan	N/A for the Plan

\*Includes homeownership, zero HAP, and voluntary withdrawals due to achieving financial stability.

## 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

**Objectives:** Housing Choice, Cost-Effectiveness

### **Description/Update:**

MPHA has implemented a *Strategic Vision and Capital Plan* featuring multiple strategies for preserving its portfolio, including RAD and Section 18. However, these HUD programs may be infeasible or undesirable in limited cases where properties are nonetheless in need of significant rehabilitation.

For these 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 these properties. We will do this while maintaining the long-term affordability of this housing for very low-income families via the LURA. In contrast to the DOT, the LURA is a proven framework that is well understood by potential lending/funding partners.

This initiative will contribute to HUD's emphasis on preservation and capital investment and repositioning, while assuring long-term affordability and 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.

This activity is implemented insofar as MPHA has commenced the process of operationalizing it with HUD. MPHA has submitted a form of LURA to HUD for approval, which would continue to apply applicable public housing requirements to the properties (as modified by any applicable HUD-approved MTW-related changes). The next steps depend upon agreement with HUD on the form of this template LURA. MPHA intends to revive this currently dormant conversation with HUD in 2021 and move forward.

Once fully implemented, 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 (see table below). 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.

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 (i.e., without MTW), 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 approval a LURA under these regulations, MPHA will be able to use such a HUD-approved LURA and this MTW will become

unnecessary. If HUD determines the activity is necessary, HUD and MPHA agree to execute a Community-Specific Authorization that will support the activity.

Units to which we would seek to apply this activity:

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

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

None.

<b>CE#4: Increase in Resources Leveraged</b>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	0	TBD*	N/A in Plan	N/A in Plan
* Activity still in planning stage.				
<b>HC#2: Units of Housing Preserved</b>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of housing units preserved for households at or below 80 percent of AMI that would otherwise not be available (increase). If units reach a specific type of household, give that type in this box.	0	TBD*	N/A in Plan	N/A in Plan
* Activity still in planning stage.				

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

Approved in 2015, Implemented in 2017

**Objectives:** Housing Choice, Self-Sufficiency

### 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 enter these public housing units directly as 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) could operate additional public housing units over its current stock and receive additional subsidy for the units, *if these units could be developed*. 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 has not been successful since introduced with the implementation of this activity; the operation of public housing units within a private/non-profit property is not appealing to developers. 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.

HC #1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	0	16	N/A in the Plan	N/A in the Plan
HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?

Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity.	0	16	N/A in the Plan	N/A in the Plan
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HC #7: Households Assisted by Services that Increase Housing Choice				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice (increase).	0	16	N/A in the Plan	N/A in the Plan
SS #3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(1) Employed Full-Time	0	4	N/A in the Plan	N/A in the Plan
(2) Employed Part-Time	0	4		
(3) Enrolled in an Educational Program	0	0		
(4) Enrolled in job Training Program	0	0		
(5) Unemployed	16	8		
(6) Other	0	0		
SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	16	8	N/A in the Plan	N/A in the Plan
SS #5: Households Assisted by Services that Increase Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	0	6	N/A in the Plan	N/A in the Plan

Note: Clients receive services in the initial months after move-in. We anticipate there will typically be a mix of residents receiving these initial services, and those who no longer need them.

<b>SS #8: Households Transitioned to Self-Sufficiency</b>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions	0	2	N/A in the Plan	N/A in the Plan

for "self-sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided.				
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## Supportive Housing for Youth (2016 – 3)

Approved in 2016, Implemented in 2016

**Objectives:** Housing Choice, Self-Sufficiency, Cost-Effectiveness

### Description/Update

The City of Minneapolis has a significant need for supportive housing for homeless youth. This activity helps MPHA contribute through vouchers or sponsor-based/non-traditional rental subsidies to help meet this need.

This activity began when 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. 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 PPLand YouthLink that details funding and operational requirements of the program along with the reporting requirements.

This activity is expanding in 2021 to include additional *sponsor-based* partnerships, on a similar model. The first is at *Nicollet Square*, where MPHA funding will support 42 efficiency units for youth between 16 and 22 experiencing homelessness, including those in extended foster care. Youthlink will provide onsite services. And at *Cedar View*, 10 one-bedroom apartments will servehomeless pregnant or parenting youth ages 18 to 22, with services provided by Simpson Housing. Both programs also feature the involvement of Beacon Interfaith Housing Collaborative,an MPHA partner familiar from our work on Great River Landing (GO Housing MTW activity). Welook forward to reporting the outcomes for these young people going forward.

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

This activity has been renamed “Supportive Housing for Youth.” (The title was formerly preceded by the word “Permanent”). This has no bearing upon the program intent or activities.The term “permanent” is ill-defined and has the potential to be confusing.

Otherwise, no changes.



**CE#4: Increase in Resources Leveraged**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	0	\$11,900,649	N/A for the Plan	N/A for the Plan

**HC #1: Additional Units of Housing Made Available**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase)	0	77	N/A for the Plan	N/A for the Plan

**HC #5 Households Assisted by Services that Increase Resident Mobility**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	77	N/A for the Plan	N/A for the Plan

**HC #7: Households Assisted by Services that Increase Housing Choice**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice (increase).	0	77	N/A for the Plan	N/A for the Plan

**SS #1: Increase in Household Income**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy (increase).*	0	\$8,487	N/A for the Plan	N/A for the Plan

\* For 2020, because of temporary partner data limitations, outcome reflects participants in the Downtown View property only.

SS #2: Increase in Household Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow of households affected by this policy (increase).	0	\$300	N/A for the Plan	N/A for the Plan
SS #3: Increase in Positive Outcomes in Employment Status*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(1) Employed Full-Time -	0	0	N/A for the Plan	N/A for the Plan
(2) Employed Part-Time -	0	8		
(3) Enrolled in an Educational Program -	0	8		
(4) Enrolled in Job Training Program -	0	8		
(5) Unemployed -	25	0		
(6) Other:	0	0		
* For 2020, because of temporary partner data limitations, outcome reflects participants in the Downtown View property only.				
SS #5: Households Assisted by Services that Increase Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self sufficiency (increase).	0	77	N/A for the Plan	N/A for the Plan
SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions for "self-sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the	0	2	N/A for the Plan	N/A for the Plan

space provided.				
* Self Sufficiency Definition: Youth on an education or employment trajectory and able to afford safe and decent housing upon exit from program.				

## 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.

### **Job-coaching / Savings-match Pilot is just one component of MPHA's existing activity - Goal-Oriented Housing Initiative (2018 – 2)**

**Job-coaching / Savings-match Pilot:** In 2021, MPHA expects to pilot a program to incentivize employment and savings for participants in MPHA's public housing and voucher programs. Participation in the program will be voluntary, serving a target of up to 25 families in its first year. In return for a savings match of up to \$100 per month, participants will receive dedicated coaching and connections with service providers focused on employment/career pathways, education and skills development, financial education. Other connections/partnership might include literacy and English language classes, services, mentorship services, and childcare providers. MPHA will use multiple methods to recruit from among the families we serve, including efforts to reach across language or other barriers. Potential annual costs, including the savings match for the indicated number of families and anticipated hiring of a program coordinator position, would be approximately \$100,000. However, MPHA will pursue grant funding to defray these costs in full or in part.

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

MPHA's plans and timeline are indeterminate at this time. The activity was placed on-hold in 2021, 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

*Note: There are no activities proposed for closure in 2021.*

### 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.

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

Approved in 2010, Implemented in 2019, Closed in 2020

**Explanation for Closure:** MPHA consolidated 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 under this activity now under 2018 – 5.

### **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 PBV 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 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.

### **Reintegration of Offenders (2016 – 2)**

Approved in 2016, Implemented in 2017, Closed in 2020

**Why the activity was closed out:** We integrated this partnership under another, subsequently-created MTW activity, *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 was closed in 2020. 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

**Why the activity was closed out:** 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 closed this activity as its intentions, potential outcomes, and authorizations are fully encompassed within our approved Local PBV Program Activity 2018-6. 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 have been converted to PBV in the course of natural attrition of units.

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

Approved in 2011, Implemented in 2013, Closed in 2020

**Why the activity was closed out:** We closed and integrated this activity under a subsequently-created MTW activity, *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 were 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 was closed in 2020. 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

**Why the activity was closed out:** 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 were constructed, and the activity is no longer in active use. Accordingly, MPHA closed this activity as its intentions and potential outcomes are fully encompassed within approved activity 2018-6. 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 Median 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.

## V. SOURCES AND USES OF MTW FUNDS

### A. PLANNED APPLICATION 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.

**Note:** the information collected in this section is to fulfill MTW programmatic reporting requirements and does not replace the MTW PHA's obligation to annually complete its audited financial statements through HUD's Financial Data Schedule (FDS).

FDS LINE ITEM NUMBER	FDS LINE ITEM NAME	DOLLAR AMOUNT
70500 (70300+70400)	Total Tenant Revenue	\$16,789,800
70600	HUD PHA Operating Grants	\$83,945,400
70610	Capital Grants	\$23,454,300
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	\$0
71100+72000	Interest Income	\$149,000
71600	Gain or Loss on Sale of Capital Assets	\$0
71200+71300+71310+71400+71500	Other Income	\$15,404,600
70000	Total Revenue	\$139,743,100

#### ii. Estimated Application of MTW Funds

The MTW PHA shall provide the estimated application of MTW funding in the plan year by Financial Data Schedule (FDS) line item. Only amounts estimated to be spent during the plan year should be identified here; unspent funds that the MTW PHA is not planning on expending during the plan year **should not be** included in this section.

**Note:** the information collected in this section is to fulfill MTW programmatic reporting requirements and does not replace the MTW PHA's obligation to annually complete its audited financial statements through HUD's Financial Data Schedule.

FDS LINE ITEM NUMBER	FDS LINE ITEM NAME	DOLLAR AMOUNT
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	\$11,815,800
91300+91310+92000	Management Fee Expense	\$7,877,500
91810	Allocated Overhead	\$0
92500 (92100+92200+92300+92400)	Total Tenant Services	\$976,000
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	\$6,134,267
93500+93700	Labor	\$558,033
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	\$12,755,100
95000 (95100+95200+95300+95500)	Total Protective Services	\$3,000,000
96100 (96110+96120+96130+96140)	Total Insurance Premiums	\$1,780,800
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	\$5,363,000
96700 (96710+96720+96730)	Total Interest Expense & Amortization Cost	\$414,532
97100+97200	Total Extraordinary Maintenance	\$150,000
97300+97350	HAP + HAP Portability-In	\$65,504,100
97400	Depreciation Expense	\$12,900,000
97500+97600+97700+97800	All Other Expense	\$0
90000	Total Expenses	\$129,229,132

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

As presented in the MTW Budget section, MTW Sources are \$10.5 million more 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 2022, MPHA is estimating spending \$22.5 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 \$12.9 million on previous years' capitalized expenditures are shown. The difference is actually \$9.5 million more in Net MTW Sources. Additionally, revenue of \$1.4 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 actually \$1.4 million more in Net MTW Uses. When both presentation adjustments are factored in, the Net MTW Uses over Sources is \$0.4 million.

**iii. Description of Planned Application of MTW Funding Flexibility**

MTW agencies have the flexibility to apply fungibility across three core funding programs' funding streams – public housing Operating Funds, public housing Capital Funds, and HCV assistance (to include both HAP and Administrative Fees) – hereinafter referred to as “MTW Funding.” The MTW PHA shall provide a thorough narrative of planned activities it plans to undertake using its unspent MTW Funding. 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 funding flexibility to direct funding towards specific housing and/or service programs and/or other MTW activity, as included in an approved MTW Plan.

**PLANNED APPLICATION OF MTW FUNDING FLEXIBILITY**

MPHA plans to use approximately \$2.7 million from its HCV HAP Subsidy to augment other programs in accordance with the needs of our local community. Of this amount: \$720,700 is planned for public housing building improvements; \$938,900 to HCV Administration; \$50,000 to MTW Local Initiatives (primarily research, reporting, administration related to MPHA's MTW status), and \$1 million for public housing operations. Among other things, these transfers respond to insufficient funding for public housing building improvements 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 addition, these funds provide resources used to maintain a safe environment for residents and staff in our public housing properties.

MPHA also intends to contribute MTW funds to its non-profit instrumentality (CHR) for the pre-development and development (new construction) of 84 units of housing that will house project-based voucher holders. MPHA will serve as a Guarantor on the financing for this development. MTW Funds will be pledged and maybe used to satisfy the guarantee.

MPHA will also serve as the Guarantor on a major rehabilitation project of its non-profit instrumentality (CHR). MTW Funds will be pledged and maybe used to satisfy the guarantee. The units serve low-income tenants and most, but not all, will be project-based voucher holders.

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.

MPHA may commit MTW Funds for pledging and satisfying guarantee commitments to produce or rehabilitate units supported by project-based vouchers. MPHA will exclude from any such pledge or guarantee commitment the ability of any beneficiary to foreclose public housing assets as a means of fulfilling the pledge or guarantee.

**(IV.) PLANNED APPLICATION OF PHA UNSPENT OPERATING FUND AND HCV FUNDING**

Original Funding Source	Beginning of FY - Unspent Balances	Planned Application of PHA Unspent Funds during FY
HCV HAP*	\$0	\$0
HCV Admin Fee	\$980,988	\$0
PH Operating Subsidy	\$10,657,138	\$0
<b>TOTAL:</b>	<b>\$11,638,126</b>	<b>\$0</b>

**Description of Planned Expenditures of Unspent Operating Fund and HCV Funding**

The MTW PHA shall provide a description of planned activities and/or use(s) for unexpended Operating Fund and HCV Funding. The original funding source is defined as the legacy MTW PHA's appropriated Section 8 and Section 9 funding source(s) (HCV HAP, HCV Admin Fee, and PH Operating Subsidy). The MTW agency receives this information in their Annual Renewal Allocation, which provides a breakdown of the annual obligations for HCV HAP. For HCV Admin Fee, the biannual cash management reconciliation includes the HCV Admin Fee that has been earned at two points during the year; midyear at June 30<sup>th</sup> and end-of-year at December 31<sup>st</sup>. For the public housing operating fund unspent balance, the MTW PHA may derive their unspent funds by subtracting current assets from current liabilities in the most recent FDS submission. Current assets are the sums of FDS lines 111, 114, 115, 120, 131, 135, 142, 144, and 145. Current liabilities are the sums of FDS line 310 and 343. Table XX below represents the applicable FDS lines with definitions that MTW PHA(s) should utilize to calculate public housing operating fund unspent funds. More information on FDS line items can be found at: [https://www.hud.gov/sites/dfiles/PIH/documents/FDSLLineDefinitionGuide\\_vJuly2020.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/FDSLLineDefinitionGuide_vJuly2020.pdf).

Table XX: FDS Line Items Used to Calculate Public Housing Operating Fund Unspent Funds

FDS Line Number	FDS Line Item	Definition
<b>Current Assets</b>		
111	Cash-Unrestricted	This FDS line represents cash and cash equivalents in any form available for use to support any activity of the program or project.
114	Cash-Tenant Security Deposits	This FDS line represents cash in the Security Deposit Fund.
115	Cash-Restricted for Payment of Current Liabilities	This line represents restricted cash and cash equivalents that are only to be expended for specified purposes.
120	Total Receivables	This line represents the total of all receivables less the amounts established as allowances for estimated uncollectible amounts.
131	Investments-Unrestricted	This line represents the fair market value of all investments which can be used to support any activity of a program, project, activity, COCC, or entities.
135	Investments-Restricted for Payment of Current Liability	This line represents the fair market value of all investments designated for specific purposes that will be used to liquidate a current liability in the next fiscal year or offset unearned revenue.
142	Prepaid Expenses and Other Assets	This line represents all prepaid expenses. These are not expected to be converted.
144	Inter-program-Due From	This line represents amounts due from other PHA projects, programs, and activities of a temporary nature.
145	Assets Held for Sale	This line item represents assets that the entity expects to sell to qualified applicants. This line item is typically used as part of the homeownership program.
<b>Current Liabilities</b>		
310	Total Current Liabilities	This FDS line is the sum of lines 311 through 348 and represents the total of all current liabilities.

FDS Line Number	FDS Line Item	Definition
343	Current Portion of Long-Term Debt (Capital Projects/Bonds)	This line includes the current portion of debts acquired and debts issued for capital purposes of the PHA/entity.

For HCV funding, the biannual cash management reconciliation for HUD-held reserves includes both HCV and SPV reserves. MTW PHA(s)' accounting records should include sufficient detail to report on the amount that are HCV versus SPV reserves. Where possible, please identify the planned use, the estimated amount, to which funding source the planned use(s) is attributable, as well as the projected timeline or timeline update.

**Note:** the information collected in this section is to fulfill MTW programmatic reporting requirements and does not replace the MTW PHA's obligation to annually complete its audited financial statements through HUD's Financial Data Schedule.

MPHA does not intend to utilize any MTW Reserves in 2022 and currently anticipates spending all HCV HAP Subsidy available. MPHA believes the reserve amounts available are reasonable and needed as a contingency for unplanned, urgent expenditures and unanticipated shortfalls in federal subsidies. Additionally, the reserves are necessary to meet loan liquidity requirements as a Guarantor on financing used for new low-income housing development and major preservation projects.

\* Unspent HAP funding should not include amounts recognized as Special Purpose Vouchers reserves.

\*\* HUD's approval of the MTW Plan does not extend to a PHA's planned usage of unspent funds amount entered as an agency's operating reserve. Such recording is to ensure agencies are actively monitoring unspent funding levels and usage(s) to ensure successful outcomes as per the short- and long-term goals detailed in the Plan.

#### **(V). 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.

#### **A. 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 has converted one property using RAD Component 1 (PBV): The Elliot Twins (174 units) in 2020. We began renovations in June 2020 and expect to complete work in mid-to-late 2021. The RAD Significant Amendment for this conversion (to the 2019 MTW Annual Plan) was approved on September 25, 2019; MPHA's MTW Standard Agreement was subsequently augmented by its Third Amendment on April 22, 2020. MPHA has no other pending RAD applications. MPHA is considering one or more RAD Component 1 applications in 2021, from among a set of properties disclosed in Section 1 of this MTW Annual Plan. If MPHA determines that a RAD application is feasible and in the interest of our mission and our community, MPHA will initiate the processes required by HUD for disclosure, notification, and resident engagement prior to any application.

- 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.

See Appendix H for HUD Form 50075.1

### B. Documentation of Public Process

The draft plan was available for public review on \_\_\_\_\_. The MPHA Board of Commissioners held a public hearing on \_\_\_\_\_.

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.*

## **APPENDIX B:**

### **Resident Advisory Board 2022 MTW Annual Plan Priorities**

*MPHA's Resident Advisory Board (RAB) approved the following priorities to guide MPHA's actions in 2022.*

1. Define and maintain high standards and accountability for maintenance staff and management, and apply them consistently across MPHA properties. Ensure Quality Maintenance Program is implemented. Create a protocol for residents to comment and address their concerns.
2. Create and define a comprehensive security program, including:
  - Investing in cameras and other security measures where it makes the most difference.
  - Analyze and assess the security guard contract(s) to ensure MPHA safety and security needs are met.
  - Enforcing MPHA's guest/visitor policies to ensure unauthorized people are not entering the buildings.
  - Enforcing prohibitions on firearms and illegal drugs.
  - Protecting the anonymity of residents/Project Lookout volunteers who report other residents.
3. Advocate for and use MTW fungibility as much as possible to provide adequate funding for maintenance of properties and prompt attention to all work orders.
4. 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.
5. Maintain a policy of one-for-one hard unit replacement of public housing.
6. Pursue federal, state and city dollars, including the restoration of the full tax levy, as allowable under state law to address MPHA's large deferred capital needs and reinstate \$1.2 million of the levy for resident security.
7. Do not increase rent over 30% of income for residents in Public Housing and Project Based Vouchers.
8. Explore minimum rent policy and align with HCV and Project Based vouchers.
9. Do not implement housing time limits.
10. Focus on the most needy: homeless, children, elderly, disabled, the mentally ill, veterans and ex-offenders.
11. Create supportive housing opportunities for people exiting homelessness, corrections, rehab, etc.
12. Continue the use of Volunteers of America and continue support for resident programs with future redevelopment structures.
13. Create collaborations that increase affordable housing and/or services for residents.
14. Focus new effort on combatting and providing protections for victims of domestic violence, intimate partner or dating violence, sexual assault, and stalking in MPHA buildings, including training for staff and residents.
15. 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.
16. Explore the creation and implementation of homeownership programs that will contribute to closing the racial gaps in homeownership in the city and help residents of Minneapolis build wealth.



**APPENDIX C:**  
**Documentation of Public Process and Summary of Comments**

## **APPENDIX E: LOCAL ASSET MANAGEMENT PLAN (LAMP)**

### **Minneapolis Public Housing Authority**

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.

#### **LOCAL DETERMINATION ON FEES:**

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.

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 implemented a new preventive maintenance program in 2019. The Quality Maintenance Program (QMP) delivered 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 prioritized 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 may use maintenance crew(s) that 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 (2022)

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 innovative strategies to ensure our housing stock remain viable for the long-term.

### MPHA CAPITAL NEEDS

Minneapolis Public Housing Authority’s (MPHA) housing stock – which includes PBV-assisted Elliotts LP and CHR properties – 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 2020, which was conducted by a third party vendor. Utilizing field data collection tools, inspectors 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. MPHA already completed a comprehensive analysis of its scattered sites CHR properties in 2019, which informed the preservation strategy it will launch at these properties in 2022 and beyond. Additional details on MPHA’s portfolio strategy are covered in Section I of this plan.

MPHA’s 2021 physical-needs data indicates it has a current unmet need of \$164 million 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:

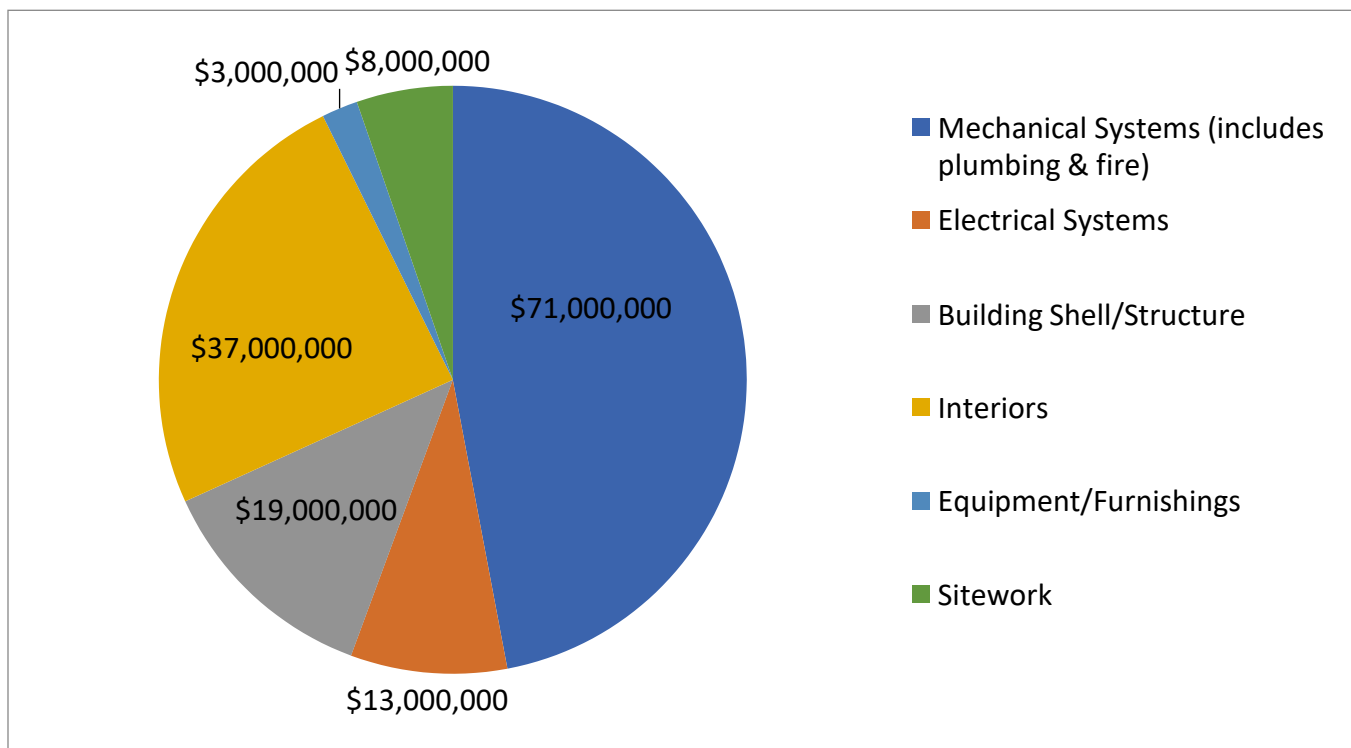
#### 1. The type of need

- 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 within 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.

## **FY2022 SIGNIFICANT CAPITAL EXPENDITURES BY DEVELOPMENT**

MPHA bases its capital activities on an expected Capital Fund Program (CFP) allocation of \$16.3 million for 2022. CFP funded activities that were initiated under previous funding cycles, but not fully completed in prior years, will carry over and experience expenditures in 2022. Additionally, a portion of the activities slated for 2022's \$16.3 million budget will not be fully expended in 2022 and will carry into 2023. MPHA has estimated approximately \$26.8 million in Capital Fund expenditures for FY2022 targeting specific projects in five of its seven Asset Management Projects (AMPs).

*[Chart on following page]*

**CAPITAL/DEVELOPMENT ACTIVITIES & EXPENDITURES – FY 2022**

AMP	PROJ	ADDRESS	WORK ITEMS	BUDGET	2022 EXPENDITURES
<b>ONGOING 2021 ACTIVITIES</b>					
N/A	N/A	N/A	Administration	\$1,636,382	\$1,636,382
N/A	N/A	Varies	Pre-development	\$4,850,000	\$1,000,000
3	25	600 18 <sup>th</sup> Ave North	Fire suppression system installation	\$1,895,000	\$1,000,000
3	37	1314 44 <sup>th</sup> Avenue North	Plumbing replacement, shower replacement/ bath upgrades, unit finishes, fire suppression system installation	\$7,000,000	\$6,100,000
4	21.6	1206 2 <sup>nd</sup> Street NE	Fire suppression system installation	\$325,000	\$300,000
4	32	1717 Washington St NE	Fire suppression system installation	\$1,105,000	\$1,000,000
5	24	1707 3 <sup>rd</sup> Avenue South	Apartment entry door replacement	\$335,000	\$70,000
6	6	1627 S 6 <sup>th</sup> Street	Fire suppression system installation	\$745,000	\$300,000
6	6	Cedars Lowrises (620 Cedar Ave S)	Façade restoration & window replacement (phase I of III)	\$2,570,000	\$650,000
6	30	630 Cedar Avenue South	Fire suppression system installation	\$1,175,000	\$500,000
7	17	2728 E Franklin Avenue	Fire suppression system installation	\$925,000	\$900,000
7	31	Horn Towers	Fire suppression system installation	\$2,560,000	\$1,750,000
7	36	2121 Minnehaha	Fire suppression system installation	\$585,000	\$200,000
<b>PLANNED 2022 ACTIVITIES</b>					
N/A	N/A	N/A	Administration	\$1,630,000	\$0
N/A	N/A	N/A	Audit fee	\$10,000	\$10,000
N/A	N/A	Varies – CHR Homes	Contribution toward construction of 84 PBV units	\$3,050,000	\$3,050,000
3	20.4	2415 N 3 <sup>rd</sup> Street	Façade and balcony repairs	\$130,000	\$120,000
3	20.5	3116 Oliver Avenue	Main electrical switch gear replacement	\$200,000	\$180,000
3	26	1710 Plymouth Avenue	Main electrical switch gear replacement	\$250,000	\$230,000
3	37	1314 44 <sup>th</sup> Avenue	Façade restoration	\$800,000	\$775,000
3	42	314 Hennepin Avenue	Fire suppression system installation	\$2,425,000	\$2,000,000
5	9	Hiawatha Towers	Fire suppression system installation	\$1,735,000	\$1,000,000
5	19	1920 4 <sup>th</sup> Avenue S	Generator replacement	\$220,000	\$200,000
5	24	1707 3 <sup>rd</sup> Avenue S	Façade restoration & window replacement	\$2,300,000	\$1,500,000
6	6	Cedars Lowrises (1611 S 6 <sup>th</sup> Street)	Façade restoration & window replacement (phase II of III)	\$2,700,000	\$2,000,000
N/A	N/A	N/A	Contingency	\$850,000	\$350,000
<b>TOTAL – 2022 EXPENDITURES</b>					<b>\$26,821,382</b>

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

These capital activities and expenditures are based on multiple assumptions:

- The need for MTW resources to close on the scattered sites new construction project;
- Final formula amounts at the 2021 levels and receipt of grant by the end of March 2022;
- MPHA's ability to complete identified improvements at its properties within noted budgets despite challenges associated with construction and commodity markets in historic fluctuation.

Since these variables are 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

The five-year Capital Needs table illustrates total funding needed to address all capital needs at MPHA properties between 2022-2026.

### Minneapolis Public Housing Authority 2022 Five-Year Schedule of Capital Needs

FY22	FY23	FY24	FY25	FY26
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#### AMP 1 - Rowhouses

AMP	Project	Address	Bldgs	Units					
1	1	Glendale	28	184	17,586,822	311,361	534,086	96,377	49,925
Total AMP 1			28	184	17,586,822	311,361	534,086	96,377	49,925

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

AMP	Project	Address	Bldgs	Units					
2	Various	Various	35	35	557,300	6,697	145,875	589,345	61,600
Total AMP 2			35	35	557,300	6,697	145,875	589,345	61,600

#### AMP 3 - North

AMP	Project	Address	Bldgs	Units					
3	3	800 North Fifth Ave	1	66	1,641,958	0	182,913	112,955	330,420
3	20.4	2415 North Third Street	1	62	1,883,063	96,932	2,111,908	47,066	75,240
3	20.5	3116 North Oliver Ave	1	31	1,054,582	27,714	244,966	193,999	37,544
3	23	315 North Lowry Ave	1	193	4,488,839	0	2,139,862	2,389,920	0
3	25	600 North 18th Ave	1	239	6,797,911	0	5,870,706	249,446	1,058,865
3	26	1710 North Plymouth Ave	1	84	5,439,539	434,925	1,793,323	79,998	521,265
3	28	901 North 4th Ave	1	48	286,764	0	0	0	193,966
3	37	1314 North 44th Ave	1	220	6,729,876	1,125,954	3,088,195	2,136,426	70,501
3	42	314 Hennepin Ave	1	299	9,568,024	0	4,004,750	508,211	653,657
3	50	350 Van White Memorial Blvd	1	102	1,501,348	448,380	44,343	1,653,404	449,278
Total AMP 3			10	1,344	39,391,904	2,133,905	19,480,966	7,371,425	3,390,736

#### AMP 4 - Northeast

AMP	Project	Address	Bldgs	Units					
4	10	311 NE University Ave	1	49	1,066,143	0	171,565	73,458	601,670
4	15.4	710 NE Second Street	1	35	1,695,818	206,474	322,966	10,140	72,627
4	15.5	616 NE Washington Ave	1	35	1,654,371	298,000	77,599	107,738	142,022
4	21.4	1206 NE Second Street	1	57	1,450,127	377,133	241,877	241,663	356,571
4	21.5	1900 NE Third Street	1	32	1,684,886	73,483	255,831	343,416	471,310
4	21.6	809 NE Spring Street	1	32	1,853,201	141,149	152,103	97,018	870,634
4	32	1717 NE Washington Street	1	182	6,804,839	1,123,657	341,613	1,053,180	2,347,399
4	33	828 NE Spring Street	1	189	3,497,959	34,809	1,040,871	545,759	3,060,982
4	35	1815 NE Central Ave	1	333	6,145,438	2,529,361	1,863,145	33,257	2,367,017
Total AMP 4			9	944	25,852,782	4,784,066	4,467,570	2,505,629	10,290,232



**Minneapolis Public Housing Authority**  
**2022 Five-Year Schedule of Capital Needs**

FY22	FY23	FY24	FY25	FY26
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**AMP 5 - Hiawatha**

AMP 5	Project	Address	Bldgs	Units					
5	9	Hiawatha Towers	3	281	8,206,940	1,901,569	1,616,511	2,204,970	1,231,271
5	18.5	2533 South First Ave	1	42	1,405,519	17,531	94,769	36,626	395,164
5	19	1920 South Fourth Ave	1	110	2,681,863	160,742	95,582	66,514	469,731
5	24	1707 South Third Street	1	199	3,043,848	88,685	2,189,412	471,834	857,839
5	34	2419/33 South Fifth Ave	2	254	5,375,031	742,833	1,123,253	1,047,564	1,739,075
<b>Total AMP 5</b>			<b>8</b>	<b>886</b>	<b>20,713,201</b>	<b>2,911,360</b>	<b>5,119,527</b>	<b>3,827,508</b>	<b>4,693,080</b>

**AMP 6 - Cedars**

AMP 6	Project	Address	Bldgs	Units					
6	6 & 30	Cedars Community	4	539	19,347,450	0	1,285,048	212,545	1,875,653
6	16	1515 South Park Ave	1	182	4,355,734	5,070	1,818,597	357,200	0
<b>Total AMP 6</b>			<b>5</b>	<b>721</b>	<b>23,703,184</b>	<b>5,070</b>	<b>3,103,645</b>	<b>569,745</b>	<b>1,875,653</b>

**AMP 7 - Horn**

AMP 7	Project	Address	Bldgs	Units					
7	14	1415 East 22nd Street	1	129	2,930,664	218,791	680,646	778,717	65,984
7	17	2728 East Franklin Ave	1	151	2,522,193	27,665	707,240	22,926	86,739
7	18.4	3755 South Snelling Ave	1	28	1,499,036	20,280	373,711	9,126	28,816
7	22	3205 East 37th Street	1	28	1,234,854	20,280	135,513	3,042	0
7	31	Horn Towers	3	491	23,044,824	10,140	4,069,093	147,030	508,010
7	36	2121 South Minnehaha Ave	1	110	4,066,428	0	325,372	344,560	303,098
<b>Total AMP 7</b>			<b>8</b>	<b>937</b>	<b>35,297,999</b>	<b>297,156</b>	<b>6,291,575</b>	<b>1,305,401</b>	<b>992,647</b>

**Management, Maintenance, and Other Facilities**

	Project	Location	Bldgs	Units					
	N/A	Elliot Twins	2	174	0	0	0	0	0
	N/A	Scattered Sites	717	717	27,337,438	2,478,043	3,526,723	17,747,439	3,029,720
	29	1015 North Fourth Ave	1		505,304	199,412	0	265,396	162,334
	93	1301 Bryant Maintenance Off.	1		270,177	620,796	384,513	58,942	209,766
	96	1001 Washington Main Office	1		3,632,727	0	267,622	0	0
<b>Total MM&amp;O</b>			<b>722</b>	<b>891</b>	<b>31,745,646</b>	<b>3,298,251</b>	<b>4,178,858</b>	<b>18,071,777</b>	<b>3,401,820</b>
<b>GRAND TOTAL</b>			<b>825</b>	<b>5,942</b>	<b>194,848,838</b>	<b>13,747,866</b>	<b>43,322,102</b>	<b>34,337,207</b>	<b>24,755,693</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

In 2018-19, MPHA 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 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 served 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 complete construction at the Elliot Twins and close on financing and start rehabilitation and construction of our scattered site housing, 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 worked in conjunction with residents and the Mid-Minnesota Legal Aid 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. HUD's PIH Notice 2021-07 issued in 2021 provides expanded opportunities for RAD "Blend" conversions which MPHA may also consider as we look to future preservation projects.

#### *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 needs to satisfy the EPC debt in order to utilize HUD's RAD and Section 18 Programs or other creative financing strategies. In 2020, MPHA worked with Honeywell and Bank of America to address outstanding debt issues at the Elliot Twins and our scattered sites portfolio. As we consider our next redevelopment projects, MPHA will once again work to satisfy this debt.

### *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 development activities. In 2020, the City of Minneapolis provided a \$2.3 million soft loan to help fund the energy improvements that are now underway at the Elliot Twins. 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 2021, MPHA again applied for funds from the City and State to fund fire suppression installation at multiple high-rise properties; MPHA also applied for additional fire suppression grant funding via HUD's Household Hazards Grant. In 2022, MPHA will continue pursuing local and other resources – such as a city tax levy– for its redevelopment and preservation 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. In 2020, MPHA utilized this program to successfully carry out the RAD conversion at the Elliot Twins where \$27 million in improvements will soon be complete. This significant investment is allowing MPHA to address all deferred needs, complete energy improvements and other property enhancements, add ten fully handicapped accessible units at the site, as well as constructing a single-story community building that will house increased resident amenities. A modernization of this magnitude has not been possible at our properties in the past and therefore we believe the program is an essential tool for our housing preservation and creation strategy. In 2022, MPHA will once again pursue LIHTC financing for construction of 84 new units of family housing.

## 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.” Regulations related to HUD programs are primarily in the 24<sup>th</sup> section of the code, denoted 24 CFR.

**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 3** – HUD’s Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide training, employment, contracting and other economic opportunities to low- and very low-income persons, especially recipients of government assistance for housing, and to businesses that provide economic opportunities to low- and very low-income persons.

**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 (or Payment 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.



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<b>Part I: Summary</b>					
<b>PHA Name:</b>  Minneapolis Public Housing Authority		<b>Grant Type and Number</b> Capital Fund Program Grant No: MN46L00250117 Replacement Housing Factor Grant No: Date of CFFP:			<b>FFY of Grant: 2017</b> <b>FFY of Grant Approval:</b>
<b>Type of Grant</b> <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: 12/31/2020 <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>	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	1,000,000	1,000,000	308,697.03	308,697.03
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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<b>Part I: Summary</b>					
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<b>Type of Grant</b> <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: 12/31/2020 <input type="checkbox"/> Final Performance and Evaluation Report					
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b>		<b>Total Actual Cost <sup>1</sup></b>	
		<b>Original</b>	<b>Revised <sup>2</sup></b>	<b>Obligated</b>	<b>Expended</b>
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)	1,000,000	1,000,000	308,697.03	308,697.03
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				
<b>Signature of Executive Director</b>		<b>Date</b>		<b>Signature of Public Housing Director</b>	
				<b>Date</b>	

<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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<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup> To be completed for the Performance and Evaluation Report.

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<b>Part III: Implementation Schedule for Capital Fund Financing Program</b>					
<b>PHA Name: Minneapolis Public Housing Authority</b>					<b>Federal FFY of Grant: 2017</b>
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates <sup>1</sup>
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
	09/06/2020	12/31/19	09/06/2022	1/31/2020	


<sup>1</sup> Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

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<b>PHA Name:</b>  Minneapolis Public Housing Authority		<b>Grant Type and Number</b> Capital Fund Program Grant No: Estimated MN46P00250119 Replacement Housing Factor Grant No: Date of CFFP:			<b>FFY of Grant: Est. 2019</b> <b>FFY of Grant Approval:</b>
<b>Type of Grant</b> <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: 12/31/2020 <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>	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	14,881,179	14,881,179	14,881,179	14,881,179
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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<b>Type of Grant</b> <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: 12/31/2020 <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>	Obligated	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	14,881,179	14,881,179
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				
<b>Signature of Executive Director</b>		<b>Date</b>		<b>Signature of Public Housing Director</b>	
				<b>Date</b>	

<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.

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<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup> To be completed for the Performance and Evaluation Report.

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<b>Part III: Implementation Schedule for Capital Fund Financing Program</b>					
<b>PHA Name: Minneapolis Public Housing Authority</b>				<b>Federal FFY of Grant: Est. 2019</b>	
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates <sup>1</sup>
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
	04/15/2021	06/30/2020	04/15/2023	11/30/2020	


<sup>1</sup> Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

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<b>Part I: Summary</b>					
<b>PHA Name:</b>  Minneapolis Public Housing Authority		<b>Grant Type and Number</b> Capital Fund Program Grant No: Estimated MN46P00250120 Replacement Housing Factor Grant No: Date of CFFP:			<b>FFY of Grant: Est. 2020</b> <b>FFY of Grant Approval:</b>
<b>Type of Grant</b> <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: 12/31/2020 <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>	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	15,935,790	15,935,790	10,196,709	3,913,671
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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<b>PHA Name:</b>  Minneapolis Public Housing Authority		<b>Grant Type and Number</b> Capital Fund Program Grant No: Estimated MN46P00250120 Replacement Housing Factor Grant No:  Date of CFFP:		<b>FFY of Grant: Est. 2020</b> <b>FFY of Grant Approval:</b>	
<b>Type of Grant</b> <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: 12/31/2020 <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>	Obligated	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)	15,935,790	15,935,790	10,196,709	3,913,671
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				
<b>Signature of Executive Director</b>		<b>Date</b>		<b>Signature of Public Housing Director</b>	
				<b>Date</b>	

<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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**Expires**[illegible]




<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup> To be completed for the Performance and Evaluation Report.

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**Expires**

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<b>Part III: Implementation Schedule for Capital Fund Financing Program</b>					
PHA Name: <b>Minneapolis Public Housing Authority</b>					Federal FFY of Grant: Est. 2020
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates <sup>1</sup>
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
	09/25/2023		09/25/2025		


<sup>1</sup> Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

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<b>Part I: Summary</b>					
<b>PHA Name:</b>  Minneapolis Public Housing Authority		<b>Grant Type and Number</b> Capital Fund Program Grant No: Estimated MN46P00250121 Replacement Housing Factor Grant No: Date of CFFP:			<b>FFY of Grant: Est. 2021</b> <b>FFY of Grant Approval:</b>
<b>Type of Grant</b> <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: 12/31/2020 <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>	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	16,363,821	16,363,821	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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<b>Part I: Summary</b>					
<b>PHA Name:</b>  <b>Minneapolis Public Housing Authority</b>		<b>Grant Type and Number</b> Capital Fund Program Grant No: Estimated MN46P00250121 Replacement Housing Factor Grant No:  Date of CFFP:		<b>FFY of Grant: Est. 2021</b> <b>FFY of Grant Approval:</b>	
<b>Type of Grant</b> <input type="checkbox"/> <b>Original Annual Statement</b> <input type="checkbox"/> <b>Reserve for Disasters/Emergencies</b> <input type="checkbox"/> <b>Revised Annual Statement (revision no:                      )</b> <input checked="" type="checkbox"/> <b>Performance and Evaluation Report for Period Ending:                      12/31/2020</b> <input type="checkbox"/> <b>Final Performance and Evaluation Report</b>					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	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)	16,363,821	16,363,821	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 - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
<b>Signature of Executive Director</b>		<b>Date</b>		<b>Signature of Public Housing Director</b>	
				<b>Date</b>	

<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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<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup> To be completed for the Performance and Evaluation Report.

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<b>Part III: Implementation Schedule for Capital Fund Financing Program</b>					
PHA Name: <b>Minneapolis Public Housing Authority</b>					<b>Federal FFY of Grant: Est. 2021</b>
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates <sup>1</sup>
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
	02/22/2023		02/22/2025		


<sup>1</sup> Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.



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<b>Part I: Summary</b>					
<b>PHA Name:</b>  Minneapolis Public Housing Authority		<b>Grant Type and Number</b> Capital Fund Program Grant No: Estimated MN46P00250122 Replacement Housing Factor Grant No: Date of CFFP:			<b>FFY of Grant: Est. 2022</b> <b>FFY of Grant Approval:</b>
<b>Type of Grant</b> <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: 12/31/2020 <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>	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	16,363,821	16,363,821	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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<b>Part I: Summary</b>					
<b>PHA Name:</b>  <b>Minneapolis Public Housing Authority</b>		<b>Grant Type and Number</b> Capital Fund Program Grant No: Estimated MN46P00250122 Replacement Housing Factor Grant No:  Date of CFFP:		<b>FFY of Grant: Est. 2022</b> <b>FFY of Grant Approval:</b>	
<b>Type of Grant</b> <input type="checkbox"/> <b>Original Annual Statement</b> <input type="checkbox"/> <b>Reserve for Disasters/Emergencies</b> <input type="checkbox"/> <b>Revised Annual Statement (revision no:                      )</b> <input checked="" type="checkbox"/> <b>Performance and Evaluation Report for Period Ending:                      12/31/2020</b> <input type="checkbox"/> <b>Final Performance and Evaluation Report</b>					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	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)	16,363,821	16,363,821	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 - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
<b>Signature of Executive Director</b>		<b>Date</b>		<b>Signature of Public Housing Director</b>	
				<b>Date</b>	

<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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<sup>1</sup> Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

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<b>Part I: Summary</b>					
<b>PHA Name:</b>  Minneapolis Public Housing Authority		<b>Grant Type and Number</b> Capital Fund Program Grant No: MN46E00250120 Replacement Housing Factor Grant No: Date of CFFP:			<b>FFY of Grant: 2020</b> <b>FFY of Grant Approval:</b>
<b>Type of Grant</b> <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: 12/31/2020 <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>	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	235,000	235,000	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.





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<b>Part I: Summary</b>					
<b>PHA Name:</b>  Minneapolis Public Housing Authority		<b>Grant Type and Number</b> Capital Fund Program Grant No: MN46E00250120 Replacement Housing Factor Grant No:  Date of CFFP:		<b>FFY of Grant: 2020</b> <b>FFY of Grant Approval:</b>	
<b>Type of Grant</b> <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: 12/31/2020 <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>	Obligated	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)	235,000	235,000	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 - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
<b>Signature of Executive Director</b>		<b>Date</b>		<b>Signature of Public Housing Director</b>	
				<b>Date</b>	

<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.

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<sup>1</sup> Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.