

MOVING TO WORK ANNUAL PLAN 2024



Fiscal Year January 1 – December 31, 2024

Approved by the MPHA Board of Commissioners:

Submitted to HUD:

Revised and submitted to HUD:

EQUAL HOUSING OPPORTUNITY – EQUAL EMPLOYMENT OPPORTUNITY

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MISSION STATEMENT

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

ABOUT THE MOVING TO WORK PROGRAM

Congress created the Moving to Work (MTW) Demonstration Program in 1996. 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 in pursuit of one of these three statutory objectives:

- (1) increase housing choice,
- (2) create opportunities for families with children to become self-sufficient, and
- (3) increase cost effectiveness of the agency.

MTW status does not increase funding from HUD and, despite its name. An MTW agency may move funds as needed among its programs, within certain guidelines, to best meet local needs. This 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 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 the agency wants to pursue. Each spring, MPHA then 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.

For more information, contact: MPHA staff at (MTW@mplspha.org)



MPHA 2024 MTW Annual Plan

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Introduction/Overview

After an extensive process including diverse resident feedback, the Board approved the Agency's strategic plan on January 25th, 2023. The plan describes MPHA's five-year vision to preserve and expand our public housing portfolio, while elevating the individuals and families we serve today and tomorrow. To generate the people-centric plan a robust data gathering phase took place. MPHA conducted key informant interviews with City & County stakeholders, its Board of Commissioners, and agency leaders. In addition, surveys were circulated to every single resident, program participant, MPHA employee and commissioner. All these data points contributed to a SWOT analysis that gave insight to MPHA's unique strengths, weaknesses, opportunities, and threats.

Our strategic plan development, guided by The Bronner Group, LLC maintained an intentional focus on collaboration and inclusivity. This thoughtful engagement allowed for a comprehensive current state assessment of the agency as an anchor institution of Minneapolis. Understanding the dynamics, needs and priorities of our community allowed MPHA to develop a purpose-driven approach to developing agency priorities.



Figure 1: Process map for developing MPHA's five-year strategic plan.

Throughout 2023, the agency has started implementation of this new strategic plan. MPHA builds upon a solid foundation of being a long-standing high performing agency while reflecting on how we can continuously improve to make the most of the resources available to us. In our approach we aim to focus on these priorities:

- 1) serve the people of our community,
- 2) preserve housing opportunities by investing in system upgrades & maintenance,
- 3) produce additional units where appropriate, and
- 4) partner to ensure our work is contributing to long-term impact for our community.

Notable MTW-Specific Updates

As an MTW housing authority, MPHA may waive certain federal regulations to meet local needs and better serve our Minneapolis community. In this Annual Plan, MPHA is not proposing any new initiatives nor significant modifications to previously approved activities. This signals our commitment to our core operations. While we are not proposing any new initiatives this year, MPHA is actively exploring an HCV Homeownership Program that would allow participants to receive a subsidy that can be used toward the payment of their monthly mortgage obligation. By exploring how MPHA can utilize its MTW Authority to design a program that expands homeownership to the individuals and families we serve allows us to ensure we meet our community's needs. Minneapolis has a vastly inequitable rate of homeownership by race, and MPHA aims to introduce a program that provides pathways to overcome this reality.

The agency's focus on providing safe, quality housing to our resident's post-pandemic is allowing space to re-engage with the individuals who rely on MPHA to make their rent affordable. Through listening sessions and collaboration, we hope to find the right support systems and tools to ensure individuals can successfully and sustainably move into homeownership. Promoting a people-centric culture, gives MPHA the tools to collaborate creatively with partners to fulfill our mission. Through this intentionality we hope to build a solid foundation that is dynamic to community needs.

This is especially key in ensuring MPHA has the capacity to implement HUD's new guidelines outlined in the final Housing Opportunity Through Modernization Act (HOTMA) and National Standards for the Physical Inspection of Real Estate (NSPIRE) notices in a way that minimizes stress for the end user without contributing additional inefficiencies in a federal environment with continued funding shortfalls. It is our responsibility to ensure we can implement these standards as seamlessly as possible to continue to serve our residents at a high standard, while maintaining fiscal stability to ensure we can serve our residents for years to come.

Housing Preservation and Creation

Historically, 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, to provide housing for the city's lowest-income households.

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.

Notable developments related to *Housing Preservation and Creation* include:

Completing the Elliot Twins Renovation: In late 2021, MPHA concluded 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 added another 10 fully accessible 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 demonstrated the commitment and capacity of MPHA to provide temporary housing for residents affected by major construction work, with no permanent displacement. Most residents chose to remain on-site during construction. MPHA continues to manage the property, with long-term affordability protected by a 99-year ground lease.

MPHA's Family Housing Expansion Project: In October 2020, MPHA completed a Section 18 conversion of more than 700 units of family housing (four-plex, duplex, and mostly single-family) across the city, and transferred the ownership of these properties to its wholly controlled non-profit entity, Community Housing Resources (CHR). MPHA closely analyzed this portfolio to identify properties that would be good candidates for redevelopment and adding density. From this analysis MPHA identified 15 sites comprised of 21 units that could be redeveloped and replaced with 78 new PBV units. A sixteenth site acquired from the City of Minneapolis is being developed with six additional units, resulting in a total of 84 new scattered site family units. These new units will be more efficient to operate and improve the livability of the units for tenants. As with the Elliot Twins renovation, the project is accessing bonds and Low-Income Housing Tax Credits along with other soft sources to create additional, deeply affordable family housing for our community. MPHA closed on the financing in fall of 2022 and broke

ground on construction in January 2023. The use of modular construction has made it possible for MPHA to deliver these units in an expedited timeline compared to traditional construction.

MPHA continues to analyze the portfolio to identify additional opportunities for redevelopment to expand its family housing inventory. In 2023, MPHA identified two single-family sites for redevelopment and densification that will result in a total of five new family units. MPHA is considering utilizing the Faircloth to RAD program to support three of the units in these projects, though we may also consider committing project-based vouchers to the projects. Further, based on analysis conducted in 2023, MPHA believes it has additional infill opportunities within its existing CHR portfolio; staff will further examine these opportunities in 2024 and may begin predevelopment on its next family housing redevelopment project in late 2024.

Renovation Program for Scattered Site Homes: With additional tenant-protection-voucher funding as a result of a Section 18 conversion, MPHA has been exploring options to leverage additional financing to complete major repairs and renovations to assure our scattered sites continue their essential mission. While staff continue to consider financing options for major, portfolio-wide improvements, the agency dedicated approximately \$2.5M in CHR resources in 2023 to complete renovations such as roof/siding replacement and kitchen/bath rehab in several homes. Jacob Frey, Mayor of the City of Minneapolis, also invested \$3.5 million to support Minneapolis Public Housing with its CHR rehab work, building on previous investments to support the Family Housing Expansion Project. Also in 2023, MPHA campaigned for additional resources to invest in this portfolio at the state level, which resulted in a \$5M direct appropriation that should become available at the close of 2023. MPHA intends to use these additional resources to assist MPHA in the rehabilitation of the scattered site portfolio in 2024.

Additional Highrise RAD Applications: In 2022/23, MPHA began to engage in a robust process to revisit the agency's Strategic Vision including goals and priorities for other future conversions that will allow for housing preservation and creation. Page fourteen features' properties where MPHA is considering applications for RAD conversions in 2024, based upon analysis of our portfolio, agency priorities and other considerations. Each application and approval will follow the prescribed disclosures and public and resident engagement process as required by HUD.

Ongoing Public Housing Capital Improvements: Using the limited federal funds we receive, along with any successful applications for Minnesota Publicly Owned Housing Program grants or other grant awards, we will continue to 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 2024 capital activities and expenditures is found in Appendix F. Through partnership with Franklin Energy and Xcel Energy, MPHA aims to replace aging appliances with new, energy-efficient, more cost-effective units.

Long-range Planning for Other Sites: As previously noted, MPHA revisited its Strategic Vision in 2022/23, and continues conversations with our community partners and stakeholders 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 a master planning process to realize the long-term vision of the Heritage Park neighborhood and address the capital needs of the Heritage Park AMP; how the agency may best utilize its Faircloth Authority, including potential, Faircloth-to-RAD conversions. In addition, long-term conversions, at the Glendale townhomes, which we're committed to redevelop to provide modern units for current and additional families to access in an opportunity rich neighborhood.

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 2023.

Exploring New Development Opportunities

Faircloth to RAD (FTR) is a new HUD initiative that authorizes Housing Authorities to create additional affordable housing in their communities. MPHA, under HUD’s Faircloth limit, could develop additional housing units over its current stock and receive additional subsidy through RAD conversion. MPHA expanded its total Faircloth Authority through the disposition of its Scattered Sites portfolio through Section 18. Converting these 705 units to MPHA’s non-profit affiliate Community Housing Resources (CHR). The additional opportunity to create more housing units through Minneapolis is now possible. In total, MPHA could add up to 892 units through this program, with potential partnerships with private and non-profit housing providers. Once the units are built HUD will convert the funding into Project Based Vouchers. Minneapolis Public Housing Authority is exploring the best way to increase the amount of deeply affordable housing in our community. The agency is exploring how this tool could be best leveraged to reach this goal. In this pursuit, MPHA may use MTW flexibility to fund rents as well as capital costs on new construction and where possible to ease the administrative burdens associated with this effort. This may include MPHA’s Project Based Voucher program being leveraged to adjust HAP contract terms above the current FMR. Using MPHA’s MTW Single-fund flexibility, the agency is exploring the possibility of allocating voucher funds which initial research suggest would enable MPHA to create two units of Faircloth to RAD affordable housing for each voucher committed to this process. MPHA looks forward to the potential opportunity to pilot FTR in the near future to determine how this tool will complement and add value to our existing development goals.

Education, Employment, and Health

MPHA will continue our initiatives and partnerships devoted to economic opportunity, health, and wellbeing of seniors, persons with disability, families, and all households we serve. In 2024, we will continue to focus on:

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 2023, we expanded the program to serve additional families as well as served five additional schools. Based on growing community need and the initial success noted by the program assessment MPHA looks forward to continuing to strengthen these partnerships for years to come.

Expansion of Work by the Highrise Health Alliance: MPHA, the Minneapolis Health Department, the Minneapolis Highrise Representative Council (MHRC), and partners from local government and healthcare sectors comprise the Highrise Health Alliance. In the height of the pandemic, his collaboration brought COVID-19 vaccinations to the community. As MPHA high-rise residents experience unmanaged health conditions with much higher rates of emergency room visits and hospitalizations leveraging resources to better meet their needs has a meaningful impact. This past year the consistent collaboration of this group has allowed partners to apply for grant opportunities to try to find consistent, long-term funding to support this important work. In 2024, the alliance will continue to bring together leaders from all sectors (health, mental health, social services, housing) to identify priorities, align resources, and launch communication campaigns to residents.

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.

Launch of Community Choice (Mobility Demonstration): In May 2021, The U.S. Department of Housing and Urban Development awarded MPHA and the Metropolitan Council's Housing and Redevelopment Authority \$5.2 million under the Housing Choice Voucher Mobility Demonstration Program. The Demonstration builds on recent research that shows growing up in neighborhoods with lower levels of poverty improves children's academic achievement and long-term chances of success. The program will support

MPHA and Metro HRA in addressing barriers to increasing housing choices by offering mobility-related supports. The program will also include a rigorous, independent evaluation with research partner, ABT Associates, to determine the supports most effective in helping families achieve success. The Demonstration will run for a 6-year period. The first year was a planning year, and the program successfully launched in September 2022, and the first families moved in Spring 2023. MPHA looks forward to the lessons learned from this program to better serve our voucher population.

Creating Book Rich Environments: MPHA became a Book Rich Environment in spring of 2022. This is a collaborative effort aimed to provide diverse, high-quality books and other literacy tools to children and families assisted by housing authorities. MPHA received 5,000 books and will be using a variety of strategies to get these books into the hands of children in our community.

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 2024, we anticipate:

Leveraging technology to Increase Efficiency

In January 2021, MPHA completed a software conversion to Yardi Software. This new technology has provided the agency with ways to simplify our business, including online waiting lists, recertifications mobile workorders and inspections. In 2023, began converting our paper files to electronic document management systems. To increase efficiency and provide a variety of ways for MPHA residents to pay their rent, MPHA will implement a variety of payment processing solutions with the use of Yardi software in 2024.

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 2024, it is anticipated that in partnership with DEI experts, the DEI committee will support the action items identified through careful analysis, in addition to the implementation of a new Leadership Development Program and Succession Planning. This committee assists the agency in ensuring our budgeting, policy implementation, new business processes and engagement are examined through the lens of diversity, equity, and inclusion. Through the evaluation of exit data, we aim strengthen our recruitment, hiring, onboarding, and training processes to meet our strategic goal of making MPHA an employer of choice.

Properties for Which MPHA May Apply for Housing Preservation Programs in 2024

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 revisiting the agency's strategic vision, the properties listed below *may be considered* in 2024 or 2025 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
Heritage Park - Sumner Phase IA	MN002000008, Heritage Park AMP	60
Heritage Park - Basset Creek	MN002000008, Heritage Park AMP	45
Heritage Park - Sumner II	MN002000008, Heritage Park AMP	57
Heritage Park - Heritage Park III	MN002000008, Heritage Park AMP	38
Spring Manor	MN002000004, Northeast AMP	189
Franklin Towers	MN002000005, Hiawatha AMP	110

If RAD is identified as the best program to meet development needs, 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 2024 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 2023 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.

2024 MTW Budget Summary

	MTW Single Fund				Total MTW Programs
	Public Housing Operations	MTW Housing Choice Vouchers	Capital Fund Program	MTW Initiatives	
Sources					
Tenant Revenue -Rents & Other	18,825,400	-	-	-	18,825,400
Federal - Operating Subsidies & Grants	21,461,300	-	2,017,500	-	23,478,800
Federal - Operating Subsidies & Grants (ARF)	-	-	-	-	-
Federal - Section 8 Admin Fee Subsidy	-	3,666,500	-	-	3,666,500
Federal - Section 8 HAP Subsidy	-	62,893,600	-	-	62,893,600
Federal - Capital Grants	-	-	29,395,000	-	29,395,000
City Contribution	375,000	1,151,300	90,000	-	1,616,300
Interest Income	41,100	2,700	-	-	43,800
Central Office Fee Revenue	-	-	-	-	-
Property Management Services Revenue	-	-	-	-	-
Other Revenues, Fees, & Grants	692,100	13,600,000	-	-	14,292,100
Total Sources	41,394,900	81,314,100	31,502,500	-	154,211,500
Uses					
Property Management and Program Admin	9,154,300	4,614,600	10,000	301,100	14,080,000
Administration	-	-	-	-	-
Development Administration	-	-	-	-	-
Fees to COCC	5,610,900	1,063,300	2,007,500	-	8,681,700
Tenant Services	997,200	-	-	5,000	1,002,200
Utilities	8,761,900	-	-	-	8,761,900
Maintenance	14,061,100	6,500	-	-	14,067,600
Protective Services	4,380,400	-	-	-	4,380,400
Insurance & Casualty Loss	2,105,200	33,100	-	-	2,138,300
Other General	3,053,500	-	1,300,000	-	4,353,500
Debt Service	1,905,100	-	-	-	1,905,100
Housing Assistance Payments	-	66,650,800	-	-	66,650,800
Capital Improvements & Equipment	350,000	-	26,115,000	-	26,465,000
Total Uses	50,379,600	72,368,300	29,432,500	306,100	152,486,500
Net Operating Sources/(Uses)	(8,984,700)	8,945,800	2,070,000	(306,100)	1,725,000
Transfer in/(Out) for MTW Single Fund	8,984,700	(9,290,800)	(2,070,000)	306,100	(2,070,000)
Transfer in/(Out) for Stable Homes Stable Schools	-	345,000	-	-	345,000
Net Operating Sources/(Uses) after Transfers	-	-	-	-	-
Estimated Reserves¹ as of Dec. 2023	15,145,298	780,691	-	-	15,925,989
Budgeted Changes in Reserves	-	-	-	-	-
Estimated Reserves¹ as of Dec. 2024	15,145,298	780,691	-	-	15,925,989

¹ Reserves are defined as Unrestricted Net Position less Affiliate loans receivable only payable from surplus cash as available

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 2024 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 2024, MPHA’s 2024 MTW Budget estimates funding levels based on prior year appropriations. MPHA is planning that federal subsidies and grants will remain at the 2023 levels.

The 2024 MTW Budget estimates HUD will provide the same amount of the Public Housing Operating Subsidy as 2023 less transition funding that is no longer available. The HCV Program housing assistance payment (HAP) subsidy is anticipated to be funded at 100 percent of the formula amount, and the program administrative fees funded at only 91 percent of the formula amount. The budget also estimates that the public housing Capital Fund award will match the amount awarded to MPHA in 2023 (approximately \$20 million).

The budgeted sources of funds are slightly greater than \$154 million. It is anticipated that \$29 million will come from Capital Fund Grant resources (most of which from prior year awards), nearly \$19 million from tenant rents, \$21 million from public housing operating subsidy, and just over \$66 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 2024 MTW Budget estimates spending at \$154 million. The budget assumes housing assistance to cover 4,600 MTW vouchers on average each month and continues MPHA’s rent reform initiative with payment standards increased approximately 5.6% higher than the 2023 budget. The planned expenditures for major public housing building rehabilitation is \$26.1 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 2024 (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.

Estimated	Use of HCV HAP Funding
MTW HAP Subsidy	62,893,600
MTW Paid HAP Expenses (excludes Port-In)	52,499,500
MTW HAP Gain/(Loss)	10,394,100
Used for Capital Improvements	-
Used for HCV Administration	(1,103,300)
Used for Public Housing Operations	(8,984,700)
Used for Locally Designed MTW Initiatives and Program Administration	(306,100)
Net Gain/(Loss)	-

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 \$15.9 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 eligible uses in the grant award. By way of comparison, MPHA holds \$ million in reserves in the context of a \$154 million annual MTW budget and estimated \$210 million in capital needs.

The following schedule presents the 2024 MTW Budget in a slightly different format from what HUD requires on the HUD-50900.

General Operating Information

Housing Stock Information

Planned New Public Housing Units

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

Asset Management Project (Amp) Name and Number	Bedroom Size						Total Units	Population Type	# Of Uniform Federal Accessibility Standards (UFAS) Units	
	0/1	2	3	4	5	6			Fully Accessible	Adaptable
MN002000002 AMP 2 Scattered Sites	0	2	1	0	0	0	3	Family	2	0

Total Public Housing Units to be Added in the Plan Year

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

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

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 0 MHOP	306	MPHA currently holds the ACC for 306 units which were a result of the Hollman v. Cisneros Consent Decree. Many are located outside the City of Minneapolis. MPHA is working to operationalize a transition of the MHOP portfolio to convert the units to the Section 8 program. The aim is to streamline operations for both the housing authority, owners, and residents. Potentially, this may include MPHA completing a partial voluntary transfer of some of these units to a PHA that operates in the property's jurisdiction.
	306	Total Public Housing Units to be Removed in the Plan Year

Planned New Project Based Vouchers

Tenant-based vouchers that MPHA anticipates project-basing for the first time during the Plan Year. These include only those in which at least an Agreement to enter 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

In late 2022, MPHA/CHR closed on financing and broke ground on an 84 new unit scattered sites development that consists of 16 sites across Minneapolis. The project ownership is Family Housing Resources but like the CHR portfolio, MPHA will continue to manage and maintain the properties. MPHA anticipates units will begin to lease up in fall 2023, a process that may continue into early 2024. An additional 67 vouchers will be placed into the project, a commitment made by MPHA in 2022.

MPHA/CHR is planning the replacement of a single-family home that was damaged by fire with a duplex and the replacement of a high capital needs single family home with a three-unit building. MPHA is considering utilizing the Faircloth to RAD program to support three of the units in these projects. It may also consider committing project-based vouchers to the projects.

Property Name	# of PBV Vouchers	RAD?	Description	AHAP?
MN002000009 AMP 9 MHOP	306	No	MPHA currently holds the ACC for 306 units that will be converted. These units were a result of the Hollman v. Cisneros Consent Decree. MPHA is working in partnership with Metro HRA to operationalize a plan for those units in their jurisdiction. Similarly, MPHA is working with partners on how to convert the 208 remaining MHOP units in MPHA's jurisdiction	No
MN002000002 AMP 2 Scattered Sites	3	Yes	MPHA is considering the use of Faircloth to RAD to support the development of three scattered site units. If the application is approved, the units would be transferred to Project-Based Vouchers.	No

3301 Nicollet	10	No	High priority homeless and low income	No
Emerson Village	52	No	High priority homeless, disabled and low income families	No
Snelling Yards (Workforce)	13	No	High priority homeless, low income, VASH	No
Wadaag Commons	24	No	Long term homeless, disabled, low income	No
Walker Methodist Raines	28	No	Long term homeless, elderly, disabled, low income	No
Agate Housing (fka St. Stephens)	22	No	Long term homeless and disabled	No
Kyle Garden Square	27	No	Low income	No
3030 Nicollet	12	No	Low income	No
Aeon 805 2nd	25	No	Elderly, low income	No
Agra	18	No	Low income	No
550 West Lake St. Apartments	18	No	Low income	No
2120 Minnehaha Apartments	5	No	Low income	No
Olson Court	40	No	High Priority Homeless and Low Income	No
			Total New Vouchers to be Project-Based	603

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	# of Project Based Vouchers	Planned Status at the 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
Calvary Apartments	26	Committed	No	Low income
Canvas Apartments	11	Committed	No	Low income
Catholic Eldercare	25	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 HIV
Collaborative Village	16	Leased/Issued	No	Serves homeless individuals and families
Creekside Commons	6	Leased/Issued	No	Serves low-income people
Currie Commons	40	Committed	No	Disabled, high priority homeless, low income
Downtown View	25	Leased/Issued	No	Serves homeless youth
Emanuel Housing	6	Leased/Issued	No	Serves Veterans and Low-income
Families Moving Forward	12	Leased/Issued	No	Serves homeless individuals and families
Family Housing Resources	67	Committed	No	Serves low-income people
Franklin Portland	7	Leased/Issued	No	Serves low-income people
Gateway Northeast	26	Leased/Issued	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	10	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 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
Plymouth Ave Apartments	7	Committed	No	High Priority homeless, disabled, low income
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
Timber & Tie (Formerly 14 th and Central)	25	Leased/Issued	No	Low-income housing. projected
The Hillock (fka, Snelling Yards) (Senior Housing)	11	Leased/Issued	No	Homeless veterans (PBV VASH).
Scattered Sites	689	Leased/Issued	No	Low-income families.
2528 13 th Ave S	1	Leased/Issued	No	Low Income Family
Bloom lake Flats	25	Leased/Issued	No	HIV/AIDS, High Priority

				Homeless, Low Income
Endeavors (previously Exodus 2)	56	Leased/Issued	No	High priority homeless, disabled, VASH
Ladder 260 (fka, Fire Station One)	18	Committed	No	High priority homeless, Low Income
Lydia - Expansion	40	Leased/Issued	No	Disabled Homeless
Peregrine Apts	34	Committed	No	Low Income Families
Shelby Commons	12	Committed	No	High priority homeless, disabled, low income
Elliot Twins	184	Leased/Issued	Yes	Low Income
Whittier Community Housing II	40	Committed	No	High priority homeless, low income
	2074	Planned Total Existing Project-Based Vouchers		

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

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

To best serve our community, MPHA plans to host listening sessions with development partners to reflect on our Project Based Voucher (PBV) program. The insight gained from these conversations will assist the housing authority in revisions to the Request for Proposal process, and program operational improvements.

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.

Planned Other Changes to MTW Housing Stock Anticipated in the Plan Year
MPHA will continue to explore 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. It may also include acquisition of existing land and/or structures adjacent to our highrise sites or developing new units on existing highrise land holdings. Funding sources for any such opportunities could include the Minnesota Housing Finance Agency, City of Minneapolis, Hennepin County, and other government and private funders.

MPHA continues to operate a 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 continues to work with its partners that own the existing 440-unit, mixed income development located in Heritage Park on recapitalization strategies, which includes a potential RAD/S18 conversion of the existing 200 public housing/ACC units. This conversion may be initiated in 2024 should financial resources be secured for recapitalization of a portion of the units. Additionally, although there are currently no specific plans for these properties, MPHA continues to contemplate the long-term vision for the entire Heritage Park neighborhood including the Phase III and IV parcels located south of Olson Highway and the 4.3 acres 555 Girard Terrace site. Options may include disposition and/or development and MPHA will continue studying them into 2024.

MPHA may hold units vacant due to modernization at other sites where construction activities or pre-development planning work will be underway in 2023/24. These include: 800 Fifth Avenue North (MN2-3, AMP 3), 828 Spring Street NE (MN2-33, AMP 4), 1920 Fourth Avenue South (MN2-19, AMP 5), 1707 Third Avenue South (MN2-24, AMP 5), the Cedars (MN2-6, AMP 6), and 2121 Minnehaha Avenue (MN2-36, AMP 7).

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

MPHA bases its capital activities on an expected Capital Fund Program (CFP) allocation of \$20 million for 2024, as well as previously secured resources to support our work including City of Minneapolis funds and a \$2M direct federal appropriation for fire suppression installations. Capital activities that were initiated under previous funding cycles, but not fully completed in prior years, will carry over and experience expenditures in 2024. Additionally, a portion of the activities slated for 2024's \$20 million CFP budget will not be fully expended in 2024 and will carry into 2025. MPHA has estimated approximately \$31.5 million in capital expenditures for FY2024 targeting specific projects in six of its seven Asset Management Projects (AMPs). These capital activities and expenditures are based on assumptions including: final formula amounts at the 2023 levels and receipt of grant by the end of March 2024; and, MPHA's ability to complete identified improvements within noted budgets at its properties despite challenges associated with construction and commodity markets in historic fluctuation. Further, the plan and expenditures are subject to change as the agency goes through its annual budgeting process including budget approval by the MPHA Board of Commissioners. MPHA also continues to pursue additional, non-federal resources to support its work, including state and other local funding. The plan and expenditures may also be impacted if additional resources are made available in 2023/24.

Included in the \$31.5 million capital expenditures are pre-development work associated with any RAD conversions the agency pursues, other development activities including new unit production and potential acquisition costs, building systems (HVAC, plumbing, electrical) upgrades, roof, window and façade work, elevator modernization, door and flooring replacements, site work (parking lots/concrete), security enhancements, and ongoing fire suppression systems installations in AMPs 1, 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.

LEASING INFORMATION

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 1221 in 2023).]

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	61,220	5,102
MTW Housing Choice Vouchers Utilized	39,000	3,250
Local, Non-Traditional: Tenant-Based^	2,760	230
Local, Non-Traditional: Property-Based^	1,164	97
Local, Non-Traditional: Homeownership^	72	6
Planned Total Households Served	104,144	8,679

"Planned Number of Units 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 (TBD)	600	50
	2018-2 GO Housing (SHSS)	2,160	180
Property-Based	2020-3 Flexible Subsidy (Hook & Ladder)	120	10
	2018-2 GO Housing (GRL)	444	37
	2016-3 Supp. Housing for Youth	600	50
Homeownership	2010-4 Lease-To-Own Initiative	72	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.

Discussion of Any Anticipated Issues/Possible Solutions Related to Leasing

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

Housing Program	Description of Anticipated Leasing Issues and Possible Solutions
MTW Public Housing	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 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". The MPHA public housing elderly/disabled waiting list remains open.
MTW Housing Choice Voucher	Minneapolis has a tight rental market with a vacancy rate of less than 5%. 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 with a consideration for alternate payment standards, an incentive fund for property owners, a focus on supporting the development of project-based and sponsor-based units, and regional partnerships.
Local, Non-Traditional	Given the tight rental market, the local non-traditional programs such as Stable Homes Stable Schools have focused on leveraging partnerships to reach out to property owners. Our experience shows property owners have shown greater willingness to participate in programs with a mission to serve a specific population, like children experiencing homelessness or veterans. Using MTW flexibility, MPHA will explore flexible subsidies that can be tailored to the needs of families, priorities of the community, and experience of non-profit partners. MPHA recently awarded 26 sponsor-based subsidies to a project serving extremely low-income formerly homeless individuals in a SRO communal setting with services.

WAITING LIST INFORMATION

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	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	3,827	Open	Yes
Public Housing Family	Families with at least one dependent	2,743	Closed	Yes
Housing Choice Voucher Program	Income eligible households	1780	Closed	Yes

Please describe any duplication of applicants across waiting lists:

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

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 Changed 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).
Housing Choice Voucher Program Waiting List	MPHA anticipates opening the HCV Waiting List in Spring or Summer of 2024. There are currently no anticipated changes to the policies related to preferences.

Proposed MTW Activities

No activities in 2024

Approved MTW Activities

Implemented Activities

	<i>Approved</i>	<i>Implemented</i>
Affordable Housing Creation & Preservation Toolkit	2020	2020
Triennial 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

Asset Verification	2018	2018	2024
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

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

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.

All activities related to acquisition and development will comply with PIH Notice 2011-45 in addition to Attachment C of the MTW Agreement. Further, activities will comply with PIH 2017-21 and the required input and documentation of project-based vouchers (PBV) units at all PBV properties.

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 Faircloth units in affordable housing projects in the City of Minneapolis, these developments would be dependent upon the developer receiving other non-public housing financing.

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 that 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. 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 is exploring a potential acquisition as part of its next high-rise RAD/S18 conversion and comprehensive rehabilitation which, if acquired, could yield up to 30 new units. Due diligence at this site will continue through 2023 and into 2024.

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 revised and recently adopted Strategic Vision will be vetted, approved, and implemented.

Changes to Activity/Metrics/Data - Planned 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, MPHA may use funds for local, non-traditional activities, which was approved as part of MPHA's Second Amendment to the MTW Agreement. In addition, 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.

HC#1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household give that type in this box)	0	70 Family Housing Units: 67 Family Housing Units for Scattered Sites New Construction (This is 84 units less the 17 existing assisted units). 16 of these units will be ADA compliant and 17 will be dedicated to families experiencing homelessness. This also includes 3 Family Units as part of two scattered site infill projects	N/A for the Plan	N/A for the Plan

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

Triennial Income Recertification for Households in Public Housing (2018 – 3)

Triennial 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. In 2022 this initiative was changed to triennial and combined with the initiative for residents on fixed income. Residents may still request interim recertifications or utilize a hardship policy if they believe they are adversely affected by this schedule. The change is intended to save the agency time and allow more cost-effective utilization of its resources. This activity reduces 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 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 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. 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 are any new jobs that households did not report.

CE#1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$31,310	\$15,000	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).	1,263 Hours	632 Hours	N/A for Plan	N/A for Plan

CE#5: Increase in Agency Rental Revenue*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total Household contributions towards housing assistance.	\$20,050,000	\$20,500,000	N/A for Plan	N/A for Plan

*Not an objective of this activity.

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).	\$26,600	\$27,400	N/A for Plan	N/A for Plan

SS#3: Increase in Positive Outcomes in Employment Status*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?*
(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.

SS#4: Households Removed from Temporary Assistance for Needy Families*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (increase).	265	250	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.	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.				

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 continues to explore options on how to convert these units for tenants, and owners to 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.

CE#1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$72,000	\$35,000	N/A in the Plan	N/A in the Plan

CE#2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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

MPHA Metric				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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 time, this activity could also embrace limited programs with a research objective. 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.

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 are referred from the Hennepin County Coordinated Entry system. Families receive housing stabilization services, including case management and referrals to medical, mental health, and chemical health services.

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. As community needs arise, MPHA would propose the specific additional uses of LNT subsidy in future plans as it deems appropriate.

MPHA may use MTW Funds as defined in Attachment C of the Agreement "Single Fund Budget with Full Flexibility" for any eligible activity as outlined. 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 potentially 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. This ability

would provide additional comfort to both MPHA and lenders or investors of MPHA's authority to proceed with these commitments.

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 2024 will be to address such acute eviction and homelessness crises in Minneapolis, identified by MPHA and local government partners, using fixed-amount and/or term-limited rental subsidy support, or focusing support on unique scattered site housing for very low- and extremely low-income households. At this drafting we project assisting at least 50 households in this way.

Changes to Activity/Metrics/Data Collection - Planned (Annual Plan) or Actual (Annual Report)

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

Planned Non-Significant Changes, Planned Significant Changes

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.

HC#1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household give that type in this box)	0	10 (Families, generally with HOH disability)	N/A for the Plan	N/A for the Plan

HC#2: Units of Housing Preserved				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). If units reach a specific type of household, give that type in this box.	0	0	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 new or better unit and/or neighborhood as a result of the activity (increase).	0	10	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	10	N/A for the Plan	N/A for the Plan

Goal-Oriented Housing Initiative (2018 – 2)

Approved and Implemented, 2018

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

Description/Update

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

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

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

Program elements could include:

A. Partnerships with:

- Schools – pre, elementary and middle, secondary, and post- secondary
- Supportive services providers
- Vocational skills providers
- Employment providers

B. Tenant/participant savings initiatives

C. Special incentives, including:

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

Specific 2024 initiatives under Goal-Oriented 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.

2023 began the fifth year of the program, and the partners further integrated an evaluation component to understand achievements and consider next steps. Through 2023, the program has served 167 families with rental assistance and over 1700 families with one-time emergency assistance. Altogether, over 4200 children avoided or ended homelessness so they could focus on their education. Also in 2023, plans to expand the core SHSS program to an additional 5 elementary schools, increase the depth by which we work with the schools with the highest homeless and highly mobile families, and expand housing stability to all elementary schools, were finalized. The program will now receive funding for developing and implementing an expansion of the housing stability services through a grant from Hennepin County. This expansion could provide 6-24 months of financial and case management assistance to households experiencing instability where one-time assistance is not adequate to avoid an episode of homelessness and provide lasting housing stability.

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.

Better Futures Minnesota (the previous service provider for this project) was unable to adequately continue operations given financial and management challenges stemming from the pandemic. This resulted in a lapse in the service and supports being received by the residents in the Great River Landing development and affected occupancy levels for most of 2022. The dissolution of Better Futures Minnesota also suspended MPHA's program that provided up to 30 tenant-based subsidies to ex-offenders graduating out of Great River Landing. Better Futures Minnesota was to continue being the service provider for those participants and assist them with locating units. MPHA is reviewing a request from the new service provider, 180 Degrees, to take-up the project.

Employment and savings incentive pilot program (unnamed): Previously, MPHA anticipated piloting a program to incentivize employment and savings for participants in MPHA's public housing and voucher programs. MPHA did not implement this pilot due to staffing and operational challenges caused by the after-effect of the pandemic. This is still under consideration for 2024.

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

SS#1: Increase in Household Income				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).*	\$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. 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, covering MPHA's agency-owned PBV portfolio: 689 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.

CE#1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$51,000	2020: \$35,700 (30% decrease)	N/A for the Plan	N/A for the Plan

CE#2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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 increase in staff time, which will be reported here as a negative number.*

CE#3: Decrease in Error Rate of Task Execution				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease)*	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 Sumner field 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 2023, 16 units of the original 20 will have been sold. We will continue our work to close on the remaining homes.

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.

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).	\$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 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 vouchers 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 of 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.
- The application of relevant MPHA policies to the Local PBV program, including MTW authorizations under MPHA's approved Housing Choice Voucher Rent Reform activity (2014 - 1).
- 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. When MPHA offers an appropriate-size or more nearly appropriate-size scattered-site unit, the family living in the under- occupied scattered-site unit must 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 when MPHA 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 with applicable standards. MPHA may provide a Housing Choice Voucher, if the Executive Director or designee determine at their sole discretion that a voucher is available for this purpose and is the most reasonable means of providing 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, with another in 2021. MPHA is reviewing the release of a revised PBV RFP for 2023. Through the RFP, MPHA can strategically place vouchers—including veterans (VASH) and non-elderly disabled ("mainstream")—in ways that align with the values and needs of the community, while achieving maximum return in creating additional affordable housing. Under the RFP, MPHA continued to make PBV awards and lease up units in 2023.

In 2021, MPHA project-based units owned by the agency, following subsidy conversions under RAD and Section 18. While MPHA retains the ability to use and may use all of the above authorizations in the future, MPHA expects to use them as needed in connection with the 84-unit new construction project. This project is in the construction phase with anticipated completion in 2023.

MPHA does not plan to (1) use the MTW authorizations to adopt a different competitive process for non-PHA-owned units or (2) substitute a Letter of Commitment or other pre-issuance of a HAP action for an Agreement to Enter into Housing Assistance Payments Contract. MPHA expects to waive the cap on the proportion of a development that will be project-based for the 84-unit new construction project. MPHA may exceed the 20% cap on allocation of vouchers to PBVs. MPHA uses owner-managed, site-based waiting lists for all PBV projects after their initial occupancy. MPHA uses the MTW authorization to carry over public housing tenant protection related provisions for its scattered-site PBV units and may do so for the 84-unit new construction project. MPHA is not applying rent reform to PBV units. MPHA is applying the MTW-authorized modifications regarding treatment of households in wrong-sized scattered site units.

In 2022, MPHA closed the financing to begin demolition of 21 PBV-assisted scattered site units to begin the process of their replacement. Current residents remain subsidized throughout the process, be relocated temporarily for the demolition and construction period and move into the new PBV assisted units. 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).

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 any RAD applications MPHA might make in the future, 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 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.

HC#1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household give that type in this box)	0	25 63 Family Housing - Scattered Sites New Construction (This is 84 units less then 21 existing assisted units).	N/A for the Plan	N/A for the Plan

HC#2: Units of Housing Preserved				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). If units reach a specific type of household, give that type in this box.	0	891 21 Family Housing - Scattered Sites New Construction (21 existing assisted units that will be redeveloped).	N/A for the Plan	N/A for the Plan

HC#4: Displacement Prevention				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households at or below 80% AMI that would lose assistance or need to move (decrease). If units	0	200*	N/A for the Plan	N/A for the Plan

reach a specific type of household, give that type in this box.				
*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.				

DRAFT

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").

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 implemented 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.

Under the Choice Community Demonstration, MPHA and its partner Metropolitan Council Housing & Redevelopment Authority each received 37 vouchers. Allowing for mobility services to expand. The Demonstration builds upon research that shows growing up in neighborhoods with lower levels of poverty improves children's academic achievement and long-term chances of success, 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.

MPHA and Metro HRA launched their pilot of the Community Choice Demonstration in September 6, 2022. MPHA offered remote and in-person information sessions and enrollment meetings for participants to enter the program. Participants are designated as Control, meaning that they receive a voucher but do not receive mobility related services, or Treatment, meaning that the participant receives access to mobility services in addition to the voucher. Whichever group that the participant ends up in, per regulations, if they move into opportunity areas, they receive access to the mobility payment standards.

For participants that receive the mobility related services, they have access to support staff– Mobility Coaches and a Leasing Coordinator. Primarily, the participant will work with one of the coaches who will work with them to identify barriers for moving and goals for new neighborhoods. The leasing coordinator will work to conduct outreach to engage landlord who may be willing to work with the participants with a voucher to support their goals.

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

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

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	45	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	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

In 2018, MPHA and the City of Minneapolis partnered to fund and administer incentives that encouraged 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. Since implementation, MPHA has noted an increase in 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. MPHA intends to continue these services in 2024:

Property damage protections: Protect property owners by covering tenant damage claims that exceed the security deposit, up to \$2,500.

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 these claims. If the city reinstates this budget line item to support this initiative, MPHA will process reimbursement from the city for their agreed upon portion.

The program was considered a pilot but the City and MPHA are jointly reassessing the success of the incentives and are reviewing 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)

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). 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

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	15	N/A for the Plan	N/A for the Plan

MPHA Metric				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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 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)

Updates to Benchmarks.

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).	\$15,970	\$26,000	N/A for Plan	N/A for Plan

SS #3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(6) Other - Households with earned income.	1,241	800	N/A for Plan	N/A for Plan
(Expressed as percent)	21%	15%		

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	300	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				
Unit of Measurement	Baseline (2009)	Benchmark	Outcome	Benchmark Achieved?
Total Household contributions towards housing assistance (increase).	\$14,437,400	\$18,000,000	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	75	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 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:

- **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 on moving.
- **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.
- **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.
- **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.
- **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.

- **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).
- **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 a way of increasing choice for families.
- **Flat Subsidy Reasonable Accommodation:** As a reasonable accommodation for individuals with qualifying disabilities, MPHA may provide a higher subsidy for accessible units.
- **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.
- **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.
- **Triennial Recertification for All Families [UPDATED]:** All households will undergo recertification once every three years. MPHA will perform recertification on a rolling basis.

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)

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

CE #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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

CE #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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.				

CE #3: Decrease in Error Rate of Task Execution				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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

SS #1: Increase in Household Income				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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				

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.

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

None.

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

<i>HC #5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity.	0	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?
Employed Full-Time	0	4	N/A in the Plan	N/A in the Plan
Employed Full-Time	0	4		
Enrolled in an Educational Program	0	0		
Enrolled in Job Training Program	0	0		
Unemployed	16	8		
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.

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 in the Plan	N/A in the Plan

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.

Case managers help them navigate the 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.

This activity expanded in 2021 to include additional sponsor-based partnerships, on a similar model. The first is at Nicollet Square, where MPHA funds support 42 efficiency units for youth between 16 and 22 experiencing homelessness, including those in extended foster care. Youthlink provides onsite services. And at Cedar View, 10 one-bedroom apartments will serve homeless pregnant or parenting youth ages 18 to 22, with services provided by Simpson Housing.

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

Downtown View no longer functions under this activity but under our standard Project-Based Voucher terms. Therefore, 2022 was the last year for tracking the metrics for this property under this activity (2016-3). This change also removes metric CE #4 Increase in Resource Leveraged, SS #1 Increase in Household Income, as well as SS #2: Increase in Household Savings as these were unique to the Downtown View operations.

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	52	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	52	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	52	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	52	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

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

Activities Not Yet Implemented

None.

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.

Closed-Out Activities

Note: Asset Verification (2018-4) is closed out in this report.

Asset Verification (Activity 2018 – 4)

Approved and implemented in 2018, closed 2024.

Why the activity was closed out: MPHA modified the definition of annual income to exclude income from assets valued at \$50,000 or less in 2018. By eliminating a time-consuming verification process that had only a marginal positive impact on MPHA revenues, there was an overall cost savings. HOTMA has now integrated this as a standard regulation where MPHA no longer requires this initiative.

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

Why the activity was closed out: 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 need 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. After it opened, MPHA moved this subsidy into our long-term, project-based voucher program. 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.

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, and Closed Out in 2022

Why the activity was closed out: MPHA implemented a Strategic Vision and Capital Plan featuring multiple strategies for preserving its portfolio, including RAD and Section 18. However, these HUD programs were infeasible or undesirable in limited cases where properties are nonetheless in need of significant rehabilitation. MPHA has determined other paths toward preserving the in-need properties and is no longer pursuing this initiative.

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 was 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 depended upon agreement with HUD on the form of this template LURA. MPHA intended to revive this conversation with HUD in 2021 and to move forward.

If fully implemented, MPHA projected applying the activity to no more than 50 units. Based upon a comprehensive assessment of its property needs and values, MPHA 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.

HUD staff considered 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 determined that HUD can approval a LURA under these regulations, MPHA would have used such a HUD-approved LURA and this MTW provision would have become unnecessary.

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 Media Income or below). MPHA first awarded vouchers under this initiative in early 2012, ultimately awarding 41 vouchers that facilitated an additional 226 units (a total of 267 affordable housing units) across four developments. This exceeded the goal of 120 units.

Sources and Uses of MTW Funds

A. Planned Application of MTW Funds

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	\$18,825,400
70600	HUD PHA Operating Grants	\$90,038,900
70610	Capital Grants	\$29,395,000
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	
71100+72000	Interest Income	\$43,800
71600	Gain or Loss on Sale of Capital Assets	
71200+71300+71310+71400+71500	Other Income	\$15,908,400
70000	Total Revenue	\$154,211,500

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	\$ 14,080,000
91300+91310+92000	Management Fee Expense	\$ 8,681,700
91810	Allocated Overhead	
92500 (92100+92200+92300+92400)	Total Tenant Services	\$ 1,002,200
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	\$ 8,203,867

93500+93700	Labor	\$ 558,033
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	\$ 14,067,600
95000 (95100+95200+95300+95500)	Total Protective Services	\$ 4,380,400
96100 (96110+96120+96130+96140)	Total Insurance Premiums	\$ 1,988,300
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	\$ 4,353,500
96700 (96710+96720+96730)	Total Interest Expense & Amortization Cost	\$ 313,359
97100+97200	Total Extraordinary Maintenance	\$ 150,000
97300+97350	HAP + HAP Portability-In	\$ 66,650,800
97400	Depreciation Expense	\$ 13,900,000
97500+97600+97700+97800	All Other Expense	\$
90000	Total Expenses	\$ 138,329,759

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

As presented in the MTW Budget section, MTW Sources are \$15.8 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 2024, MPHA is estimating spending \$26.4 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 \$13.9 million on previous years' capitalized expenditures are shown. The difference is actually \$12.5 million more in Net MTW Sources. Additionally, revenue of \$1.6 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 \$1.6 million more in Net MTW Uses. When both presentation adjustments are factored in, the Net MTW Uses over Sources is \$1.7 million. MPHA intends to transfer \$2.0 million of the Net MTW Sources over Uses to its affiliate for new housing development serving those at 80% or less than AML.

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
<p>MPHA plans to use approximately \$10.4 million from its HCV HAP Subsidy to augment other programs in accordance with the needs of our local community. Of this amount: \$1.1 million to HCV Administration; \$300,000 to MTW Local Initiatives (primarily research, reporting, administration related to MPHA's MTW status), and \$8.9 million for public housing operations. Among other things, these transfers respond to insufficient funding for public housing 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.</p> <p>MPHA serves as a Guarantor on the financing for 84-unit new construction, townhomes serving residents at 80% AMI and on the Elliotts LP RAD project. MTW Funds may be used to satisfy the guarantee on these projects.</p> <p>In accordance with MPHA's MTW authority and activities, MPHA will use our single-fund flexibility to support development efforts (including Faircloth to RAD development), MTW subsidization on post-conversion public housing properties (including MPHA affiliates), and local, non-traditional subsidy programs.</p>

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*	\$3,277,700	\$3,277,700
HCV Admin Fee	\$780,691	\$0
PH Operating Subsidy	\$12,606,489	\$0
TOTAL	\$16,664,880	\$3,277,700

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 30th and end-of-year at

December 31st. 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.

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

FDS Line Number	FDS Line Item	Definition
Current Assets		
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.
Current Liabilities		
310	Total Current Liabilities	This FDS line is the sum of lines 311 through 348 and represents the total of all current liabilities.
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 2023 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 current and future 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.

C. Local Asset Management Plan

Is the MTW PHA allocating costs within statute?

No

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

Yes

Has the MTW PHA provide a LAMP in the appendix?

Yes

RENTAL ASSISTANCE DEMONSTRATION (RAD) PARTICIPATION

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 completed work in 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 2023, noted 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.

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

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

Administrative

Board Resolution and Certifications of Compliance:

Final version inserted into plan following board approval.

DRAFT

Resident advisory Board 2024 MTW Annual Plan Priorities

1. Define and maintain high standards of accountability for MPHA staff. Create a protocol for residents to comment and address their concerns. Ensure quality standards are implemented for maintenance and property management to have consistency across MPHA properties.
2. Create and define a comprehensive security program, to include:
 - Cameras and security measures where it makes the most difference.
 - Assess the security guard contract(s) to ensure MPHA safety and security needs are met.
 - Maintain MPHA's guest/visitor policy to ensure unauthorized people are not entering.
 - Enforcement of prohibitions on firearms and illegal drugs.
 - Confidentiality for residents and Project Lookout volunteers who report other residents.
3. Use MTW budget flexibility to provide adequate funding for maintenance of properties and speedy attention to all work orders.
4. Advocate for additional dollars from federal, state, and city sources, including the restoration of the full tax levy to address deferred capital needs, and increase resident security.
5. Continue to collaborate with MPHA and community residents on development plans to preserve or add public housing units. Uphold protections to keep every resident housed and well informed at each stage of the process.
6. Maintain a policy of one-for-one hard unit replacement of public housing.
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. Create supportive housing opportunities for people exiting homelessness, corrections, rehab, etc.
11. Continue the use of Volunteers of America and continue support for resident programs with future redevelopment structures.
12. Create collaborations that increase affordable housing and/or services for residents.
13. Focus new efforts toward victims of domestic violence, intimate partner or dating violence, sexual assault, and stalking in MPHA buildings, including training for staff and residents.
14. Focus on resident employment opportunities, including Section 3, as part of all MPHA activities, including:
 - a. Create a Section 3 'job bank' that's easily accessible in all buildings.
 - b. Post MPHA job openings and give to resident applications.
15. Explore the implementation of homeownership programs that will contribute to closing the racial gaps in homeownership in the city and help residents of Minneapolis build wealth.
16. Come together to build trust and safety in our communities. Do this by increasing communication that promotes dialogue and respect of all opinions to advocate toward safer more inclusive environments.

MPHA's Public Process and a Summary of Public Comments

As required by HUD, MPHA updates its Moving to Work Plan on an annual basis. MPHA meets with the Resident Advisory Board (RAB) in June prior to other engagement activities to review and update their priorities (Appendix B). In July, MPHA includes a flyer in the rent statement to each property owned or managed by the agency that notes how to share their voice in August. This insert details where they can access the draft plan, the time and place of each scheduled event, how to submit comments electronically as well as methods to request reasonable accommodation. MPHA mails this same notice to a random selection of 1000 households participating in the Housing Choice Voucher program.

Prior to the draft plan's release, in addition to the rent statement insert, MPHA posts flyers in common spaces and collaborates with the resident counsels to get the word out to residents on how to share their voice. In addition, a notice runs in the Star Tribune and Finance & Commerce to welcome comments from the broader community. This year, MPHA made a copy of the draft 2024 MTW Annual Plan available online and at the central office location on August 4th through September 7th, 2023.

During this 30-day comment period, MPHA hosts three community engagement sessions, both in-person and virtually. Each information meeting is an opportunity to share information about MPHA, including the mission, vision and strategies, MTW budget, information about major repairs, and development activities completed and on the horizon. MPHA provides more than an hour at each meeting for residents to ask questions, get answers and provide comments. At all meetings, MPHA offers simultaneous interpretation in accordance with MPHA's Limited English Proficiency Plan.

At the August board of commissioner meeting a public hearing is held. Each comment is recorded and documented for the team to review. Based on feedback, the team may make changes to the plan prior to a resolution for approval going ahead of the board. In preparation of approval MPHA's Board of Commissioners received a staff presentation at its July, August, and September meetings. At these meetings staff reviewed what MTW status means for the agency, gave an overview of the plan components for 2024, and reviewed the feedback received during community engagement.

MPHA Information Meetings Dates, Time, and Location:

Session #1 Tuesday, August 8th from 2 – 4 PM, Elliot Twins (1212 S 9th St)

Session #2 Wednesday, August 9th from 2 – 4 PM, Cora McCorvey Center (1015 4th Ave N)

Zoom Livestream: Wednesday, August 9th from 2 – 4PM, Zoom
(<https://us06web.zoom.us/j/83553222911>)

Attendance Summary:

To be included in final plan submission to HUD

MPHA will log all comments received during the 30-day public comment period in full and provided a response to each of them in a report provided to the Board of Commissioners in

early September. Then, the comments along with the agency responses were placed in the receive and file portion of the board packet and archived on MPHA's website.

DRAFT

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.

DRAFT

Lobby Disclosures

To be included in final plan submission to HUD

DRAFT

Local Asset Management Plan (LAMP)

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

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 ensuring 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.

MPHA Planned Capital Expenditures (2024)

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 remains 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 high-rise 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 70 years old. MPHA completed its comprehensive physical needs assessment process (PNA) in 2019/2020, 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. Additionally, each year an inflation factor is applied to repair/replacement costs, to reflect current market conditions. Due to historic inflation rates and high construction costs, the Consumer Price Index (CPI) applied in 2022 was 6.5%, 3-4% higher than historically applied. Further, the construction industry continues to struggle with material and labor shortages, which has made addressing our capital needs increasingly difficult.

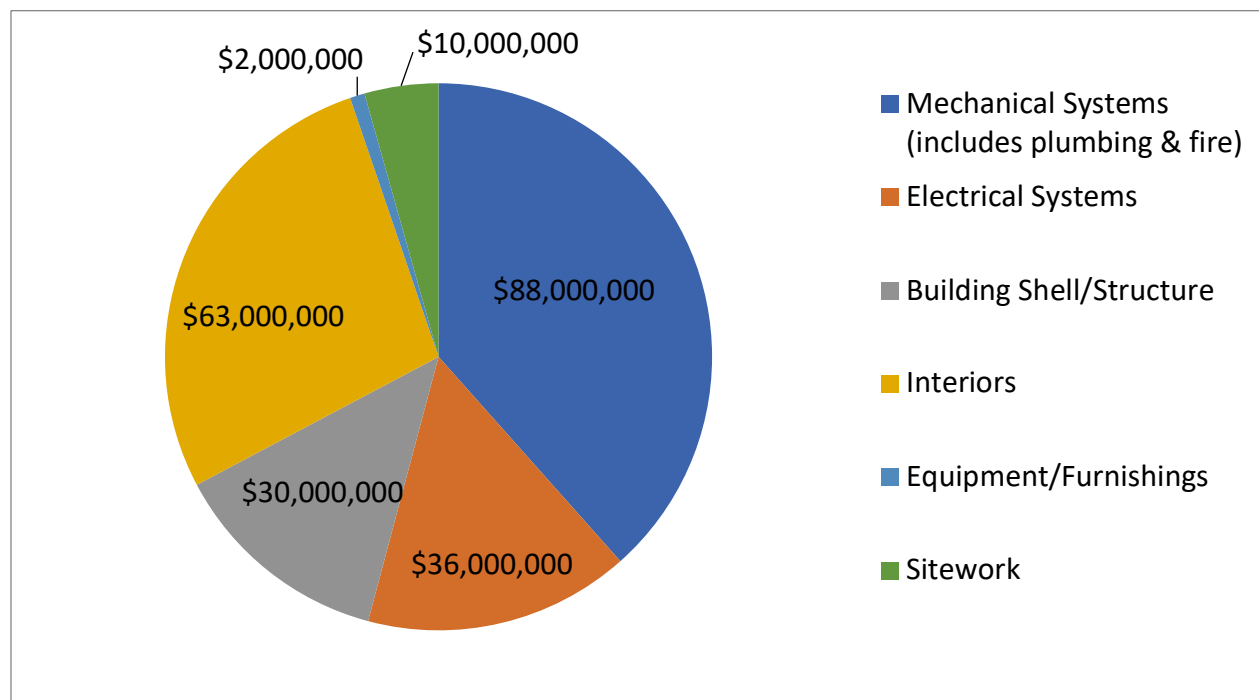
At the time of this publication, MPHA’s physical-needs data indicates it has a current unmet need of approximately \$229 million that will grow to over \$665 million over the next 20 years. These figures do not take into account applied capital funding, as it is difficult to predict future funding levels and availability. Additionally, these numbers do not include property enhancements or betterments, improvements that have more significant impacts on livability and quality of life for our residents. This estimate of unmet need simply 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, but not limited to:

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.
- The remaining useful life of the building component (generally ranges from 0 - 20 years).
- 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 high-rise buildings with sprinkler systems. In 2020, MPHA made the goal of retrofitting all high-rise properties with this critical life-safety system by 2025. MPHA has made significant progress toward achieving this goal with the aid of \$3.35M in City of Minneapolis funds, \$2.4M in State of Minnesota resources, and a \$2M direct federal appropriation via HUD's Community Project Funding Grant Program. At the time of this publication, MPHA had recently awarded contracts for its final nine high-rise installations which we intend to complete in 2024. 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. Details on MPHA's portfolio strategy are covered in Section I of this plan.

FY2024 Significant Capital Expenditures By Development

MPHA bases its capital activities on an expected Capital Fund Program (CFP) allocation of \$20 million for 2024, as well as previously secured resources to support our work including City of Minneapolis funds and a \$2M direct federal appropriation for fire suppression installations.

Capital activities that were initiated under previous funding cycles, but not fully completed in prior years, will carry over and experience expenditures in 2024. Additionally, a portion of the activities slated for 2024's \$20 million CFP budget will not be fully expended in 2024 and will carry into 2025. MPHA has estimated approximately \$31.5 million in capital expenditures for FY2024 targeting specific projects in six of its seven Asset Management Projects (AMPs).

AMP	PROJ	ADDRESS	WORK ITEMS	BUDGET	2024 EXPENDITURES
N/A	N/A	N/A	Administration	\$2,007,500	\$2,007,500
N/A	N/A	N/A	Audit fee	\$10,000	\$10,000
DEVELOPMENT INITIATIVES					
N/A	N/A	Family Housing Expansion Project	Construction of 84 new PBV units	\$12,800,000	\$1,300,000
TBD	TBD	Highrise Preservation & New Unit Production	Pre-development & potential acquisition	\$3,200,000	\$3,035,000
N/A	N/A	5656 Blaisdell Avenue South	Redevelopment/construction of 3-unit development	\$1,600,000	\$1,270,000
N/A	N/A	4516 Portland Avenue South	Redevelopment/construction of 2-unit development	\$1,000,000	\$800,000
N/A	N/A	30-Unit Scattered Site Infill Project	Pre-development	\$100,000	\$100,000
1	1	Glendale Townhomes	Pre-development	\$100,000	\$100,000
CAPITAL IMPROVEMENTS					
1	1	Glendale Townhomes	Partial siding and roofing replacement, parking lot/paving repairs	\$1,000,000	\$500,000
N/A	29	1015 North 4th Street	Generator upgrades	\$300,000	\$150,000
3	3	800 5th Avenue North	Façade repairs	\$1,600,000	\$1,000,000
3	3	800 5th Avenue North	Window replacement	\$1,100,000	\$1,000,000
3	3	800 5th Avenue North	Ventilation/cooling system upgrades	\$800,000	\$400,000
3	3	800 5th Avenue North	Main electrical switch gear & generator replacement	\$100,000	\$100,000
3	20.4	2415 North 3rd Street	Entry guard system replacement	\$220,000	\$45,000
3	20.4	2415 North 3rd Street	Fire suppression system installation	\$770,000	\$300,000
3	20.5	3116 Oliver Avenue North	Elevator modernization	\$225,000	\$210,000
3	20.5	3116 Oliver Avenue North	Fire suppression system installation	\$335,000	\$135,000
3	20.5	3116 Oliver Avenue North	Main electrical switch gear replacement	\$100,000	\$100,000
3	25	600 18th Avenue North	Elevator modernization	\$750,000	\$725,000
3	26	1710 Plymouth Avenue	Main electrical switch gear replacement	\$280,000	\$55,000
3	26	1710 Plymouth Avenue	Fire suppression system installation	\$1,050,000	\$1,000,000
3	26	1710 Plymouth Avenue	Elevator modernization	\$400,000	\$100,000
3	37	1314 44th Avenue North	Elevator modernization	\$575,000	\$550,000
3	37	1314 44th Avenue North	Window replacement	\$100,000	\$100,000
3	42	314 Hennepin Avenue	Façade repairs	\$1,120,000	\$720,000
3	42	314 Hennepin Avenue	Main electrical switch gear & generator replacement	\$2,000,000	\$1,900,000
3	50	350 Van White Memorial Blvd	Exterior façade/balcony repairs, parking lot replacement	\$500,000	\$500,000
4	15.4	710 2nd Street NE	Main electrical switch gear replacement	\$110,000	\$25,000
4	15.4	710 2nd Street NE	Fire suppression system installation	\$500,000	\$400,000
4	15.5	616 Washington Avenue NE	Fire suppression system installation	\$500,000	\$400,000
4	15.5	616 Washington Avenue NE	Elevator modernization	\$225,000	\$200,000
4	21.5	1900 3rd Street NE	Fire suppression system installation	\$410,000	\$110,000
4	21.6	809 Spring Street NE	Fire suppression system installation	\$375,000	\$95,000
4	21.6	809 Spring Street NE	Elevator modernization	\$225,000	\$50,000
4	32	1717 Washington Street NE	Main electrical switch gear & generator replacement	\$100,000	\$100,000
4	32	1717 Washington Street NE	Window replacement	\$100,000	\$100,000
5	9	Hiawatha Towers	Main electrical switch gear replacement	\$1,200,000	\$1,100,000
5	9	Hiawatha Towers	Façade repairs	\$1,500,000	\$500,000
5	18.5	2533 1st Avenue South	Main electrical switch gear & generator replacement	\$100,000	\$100,000
5	19	1920 4th Avenue South	Main electrical switch gear & generator replacement	\$930,000	\$185,000
5	24	1707 3rd Avenue South	Façade repairs & window replacement	\$2,600,000	\$1,300,000
5	24	1707 3rd Avenue South	Ventilation/cooling system upgrades	\$1,700,000	\$500,000
5	34	Fifth Avenue Towers	Apartment entry door replacement	\$415,000	\$15,000
6	6	1611 South 6th Street	Façade restoration & window replacement (phase III of III)	\$2,900,000	\$150,000
6	6	Cedars Lowrises	Corridor floor tile abatement & replacement	\$600,000	\$550,000
6	16	1515 Park Avenue South	Main electrical switch gear & generator replacement	\$1,160,000	\$235,000
6	16	1515 Park Avenue South	Fire alarm panel replacement	\$560,000	\$280,000
6	16	1515 Park Avenue South	Roof replacement	\$500,000	\$450,000
7	14	1415 East 22nd Street	Roof replacement	\$880,000	\$135,000
7	14	1415 East 22nd Street	Façade repairs	\$630,000	\$125,000
7	17	2728 East Franklin Avenue	Roof replacement	\$500,000	\$450,000
7	18.4	3755 Snelling Avenue	Fire suppression system installation	\$355,000	\$90,000
7	22	3205 East 37th Street	Fire suppression system installation	\$355,000	\$90,000
7	36	2121 Minnehaha Avenue	Façade repairs	\$400,000	\$160,000
7	36	2121 Minnehaha Avenue	Window replacement	\$1,935,000	\$1,835,000
AW	AW	Multiple highrises	2023 priority security cameras	\$550,000	\$500,000
AW	AW	Multiple highrises	2024 priority security cameras	\$750,000	\$250,000
AW	AW	Multiple highrises	2023 HVAC equipment replacements	\$480,000	\$360,000
AW	AW	Multiple highrises	2024 HVAC equipment replacements	\$500,000	\$500,000
AW	AW	Multiple highrises	2024 Electrical subpanel replacements	\$500,000	\$500,000
AW	AW	Multiple highrises	Entry guard system upgrade & replacement	\$675,000	\$200,000
AW	AW	Multiple highrises	Physical needs assessment - highrise envelopes & MEP systems	\$250,000	\$250,000
AW	AW	All facilities	Card access system replacement	\$2,000,000	\$500,000
AW	AW	Contingency	TBD	\$1,000,000	\$500,000
TOTAL					\$31,502,500

This plan and projected spending are subject to change as the agency goes through its annual budgeting process for 2024 including budget approval by the MPHA Board of Commissioners. MPHA also continues to pursue additional, non-federal resources to support its work, including state and other local funding; the plan and expenditures may also be impacted if additional resources are made available in 2023/24. Additionally, capital activities and expenditures are based on these assumptions:

- Final formula amounts at the 2023 levels and receipt of grant by the end of March 2024;
- 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 2024-2028, in today's dollars. The table includes amounts needed to address today's needs (those identified for 2023) within the 2024 numbers.

*Minneapolis Public Housing Authority
2024 Five-Year Schedule of Capital Needs*

Minneapolis Public Housing Authority				FY24		FY25		FY26		FY27		FY28	
2024 Five-Year Schedule of Capital Needs													
AMP 1 - Rowhouses													
AMP	Project	Address	Bldgs	Units									
1	1	Glendale	28	184	21,387,128	116,138	60,162	494,069	147,185				
Total AMP 1			28	184	21,387,128	116,138	60,162	494,069	147,185				
AMP 2 - Scattered Site/Single Family													
AMP	Project	Address	Bldgs	Units									
2	Various	Various		30	855,410	710,181	74,230	44,692	196,490				
Total AMP 2			0	30	855,410	710,181	74,230	44,692	196,490				
AMP 3 - North													
AMP	Project	Address	Bldgs	Units									
3	3	800 North Fifth Ave	1	66	2,199,039	136,111	398,161	0	211,466				
3	20.4	2415 North Third Street	1	62	4,892,999	56,717	90,662	350,520	237,060				
3	20.5	3116 North Oliver Ave	1	31	1,599,403	233,778	45,242	350,484	80,152				
3	23	315 North Lowry Ave	1	193	7,987,758	2,879,956	0	80,252	0				
3	25	600 North 18th Ave	1	239	13,960,894	300,552	1,275,944	0	502,271				
3	26	1710 North Plymouth Ave	1	84	9,133,231	96,395	628,149	112,213	130,563				
3	28	901 North 4th Ave	1	48	345,561	0	233,734	0	0				
3	37	1314 North 44th Ave	1	220	8,405,196	2,021,430	84,949	142,205	40,076				
3	42	314 Hennepin Ave	1	299	15,829,238	612,418	787,656	0	0				
3	50	350 Van White Memorial Blvd	1	102	2,402,875	1,992,419	541,366	890,000	40,600				
Total AMP 3			10	1,344	66,756,194	8,329,776	4,085,863	1,925,674	1,242,188				
AMP 4 - Northeast													
AMP	Project	Address	Bldgs	Units									
4	10	311 NE University Ave	1	49	1,491,487	88,520	725,031	20,038	0				
4	15.4	710 NE Second Street	1	35	2,681,511	12,219	87,519	0	0				
4	15.5	616 NE Washington Ave	1	35	2,446,179	129,827	171,139	0	40,357				
4	21.4	1206 NE Second Street	1	57	2,237,305	291,212	429,666	87,402	217,348				
4	21.5	1900 NE Third Street	1	32	2,427,170	413,827	567,923	0	207,060				
4	21.6	809 NE Spring Street	1	32	2,586,552	116,909	1,049,144	342,244	0				
4	32	1717 NE Washington Street	1	182	9,196,285	1,269,110	2,828,657	33,397	931,529				
4	33	828 NE Spring Street	1	189	5,511,379	657,666	3,688,552	0	158,969				
4	35	1815 NE Central Ave	1	333	12,698,550	40,076	2,852,310	0	45,172				
Total AMP 4			9	944	41,276,418	3,019,366	12,399,941	483,081	1,600,435				

Minneapolis Public Housing Authority
2024 Five-Year Schedule of Capital Needs

FY24	FY25	FY26	FY27	FY28
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AMP 5 - Hiawatha

AMP 5	Project	Address	Bldgs	Units					
5	9	Hiawatha Towers	3	281	13,801,995	2,657,031	1,483,707	2,015,746	0
5	18.5	2533 South First Ave	1	42	1,829,024	44,133	476,184	81,461	59,094
5	19	1920 South Fourth Ave	1	110	3,540,591	80,152	566,044	66,794	0
5	24	1707 South Third Street	1	199	3,485,355	568,582	265,610	661,075	0
5	34	2419/33 South Fifth Ave	2	254	8,725,804	1,262,335	2,095,633	203,113	25,675
Total AMP 5			8	886	31,382,769	4,612,233	4,887,178	3,028,189	84,769

AMP 6 - Cedars

AMP 6	Project	Address	Bldgs	Units					
6	6 & 30	Cedars Community	4	539	17,776,824	256,120	2,260,216	993,767	1,229,584
6	16	1515 South Park Ave	1	182	7,446,336	430,443	0	282,327	0
Total AMP 6			5	721	25,223,160	686,563	2,260,216	1,276,094	1,229,584

AMP 7 - Horn

AMP 7	Project	Address	Bldgs	Units					
7	14	1415 East 22nd Street	1	129	4,615,329	938,391	79,503	624,737	0
7	17	2728 East Franklin Ave	1	151	3,684,424	27,627	104,524	0	100,858
7	18.4	3755 South Snelling Ave	1	28	2,281,166	10,997	34,725	0	49,016
7	22	3205 East 37th Street	1	28	1,675,775	3,666	0	135,076	137,096
7	31	Horn Towers	3	491	30,441,438	177,178	612,176	288,659	217,747
7	36	2121 South Minnehaha Ave	1	110	4,892,999	56,717	90,662	350,520	237,060
Total AMP 7			8	937	47,591,131	1,214,576	921,590	1,398,992	741,777

Management, Maintenance, and Other Facilities

Project	Location	Bldgs	Units						
N/A	Elliot Twins	2	184	0	0	0	0	0	106,870
N/A	Scattered Sites		722	36,362,550	20,366,687	3,627,408	2,761,947	1,620,329	
29	1015 North Fourth Ave	1		849,195	319,811	195,617	0	0	
93	1301 Bryant Maintenance Off.	1		1,536,993	71,028	248,233	161,972	98,545	
96	1001 Washington Main Office	1		4,700,001	0	0	0	340,648	
Total MM&O			5	906	43,448,739	20,757,526	4,071,258	2,923,919	2,166,392
GRAND TOTAL				5,952	277,920,949	39,446,359	28,760,438	11,574,710	7,408,820

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 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 preserve its long-term viability. Our preliminary plan served as the framework to guide our path into the future but, as things such as property needs, funding opportunities, and the priorities of MPHA and its stakeholders have evolved since that time, the agency decided to re-visit its strategic vision in late 2022. The updated, Board-adopted plan describes MPHA's five-year vision to preserve and expand our public housing portfolio, while elevating the individuals and families we serve today and tomorrow. Our approach focuses on these priorities:

- Serve the people of our community;
- Preserve housing opportunities by investing in system upgrades & maintenance;
- Produce additional units where appropriate; and,
- Partner to ensure our work is contributing to long-term impact for our community.

As we've completed construction at the Elliot Twins and will soon complete the construction of additional scattered site housing, MPHA has carefully analyzed which property we will next apply these or other tools to ensure our housing assets remain viable for the future. As noted in Section I of this plan, MPHA is considering conversions at 1920 Fourth Avenue South, 828 Spring Street NE, and the properties that comprise the Heritage Park AMP, a mixed income development. These will be further explored through the remainder of 2023 and into 2024.

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.

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 is considering as we look to future preservation projects. MPHA will also look to the latest RAD Supplemental Notice 4B to determine how we can maximize this tool for our portfolio preservation efforts.

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.

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.

Faircloth to RAD

Faircloth to RAD (FTR) is a new HUD initiative that authorizes Housing Authorities to create additional affordable housing in their communities. MPHA, under HUD's Faircloth limit, could develop additional housing units over its current stock and receive additional subsidy through RAD conversion. MPHA expanded its total Faircloth Authority through the disposition of its Scattered Sites portfolio through Section 18 and conveying these units to MPHA's non-profit affiliate Community Housing Resources (CHR). The additional opportunity to create more housing units throughout Minneapolis is now possible, with MPHA's total Faircloth Authority now at 892 units. MPHA is considering "piloting" this program at two family housing redevelopment sites, where we have two existing single-family homes that we intend to replace with two and three-unit developments. This pilot could help inform how MPHA could utilize this program for its own future development initiatives and/or how we may partner with other affordable housing providers to accomplish new unit creation goals.

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 capital and development activities. In 2020, the City of Minneapolis provided a \$2.3 million soft loan to help fund the energy improvements that are now complete at the Elliot Twins. The City of Minneapolis also provided over \$5M in soft sources to help close the financing gap on its Family Housing Expansion Project, now well underway and slated for completion in late 2023/early 2024. MPHA has also received multiple rounds of state bond financing from the state for affordable housing preservation, most recently \$2.4 million for fire suppression system installations at four high-rises. In 2022, MPHA also applied for federal funds for fire suppression installations at multiple high-rise properties, which resulted in a \$2 million direct federal appropriation. In 2024, MPHA will continue pursuing local and other resources – such as a city tax levy and resources made available via the State's 2023 housing bill – 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 were recently completed. This significant investment allowed 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 construct a single-story community building that houses increased resident amenities. A modernization of this magnitude had 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. MPHA also secured LIHTC financing for the construction of 84 new units of family housing which closed in late 2022. MPHA is utilizing modular construction technology for this innovative housing project that will begin leasing up in fall 2023.