



# **MPHA 2021**

## **MOVING TO WORK**

# **Annual Report**

**Fiscal Year January 1 – December 31, 2021**

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**EQUAL HOUSING OPPORTUNITY – EQUAL EMPLOYMENT OPPORTUNITY**

# MINNEAPOLIS PUBLIC HOUSING AUTHORITY BOARD OF COMMISSIONERS

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## MISSION STATEMENT

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

MPHA Executive Director/CEO: Abdi Warsame

## ABOUT THE MOVING-TO-WORK PROGRAM

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

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

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

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# MPHA 2021 MTW Annual Report

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## I. INTRODUCTION

### *Overview of Short-Term and Long-Term Goals and Objectives*

MPHA's short-term actions in 2021 continued to be shaped by the COVID-19 pandemic—even as the agency reached major milestones in pursuing the long-term priorities adopted by the MPHA Board of Commissioners (MPHA's *Strategic Vision and Capital Plan*, adopted in 2018).



### **2021: Expanding partnerships to increase access and opportunities to health and housing.**

The COVID-19 pandemic's impacts were felt deeply by the residents, participants, and staff at MPHA. Navigating this year brought new urgency to our commitment to the health and well-being of those the agency serves.

MPHA continued to navigate new normal and ever-changing dynamics. Escalating social unrest and spikes in crime rates in Minneapolis further contributed to concerns about security and social isolation, and exacerbated challenges for some residents in obtaining food and necessary supplies.

The ongoing economic effects of COVID-19 inspired MPHA to ensure that residents of MPHA's housing and participants in voucher programs could promptly obtain appropriate rent adjustments, understand their rights and obligations under various eviction moratoriums, and access emergency rental assistance.

2021 tested everyone's continued resiliency, but MPHA's employees, residents, and community members rose to the challenge of protecting those who are most economically and physically vulnerable. Through it all, MPHA continued to form new partnerships, expand funding, and increase access to new housing and healthcare options.

### **An Urgent Focus on Health and Safety**

MPHA continued to adapt to the ever-changing COVID-19 landscape. A partial reopening of our central office and property offices to the public allowed MPHA to stabilize occupancy and provide emergency rental assistance help. MPHA continued to adapt our work processes and invested in new technology enabling us to securely move more essential functions online. Staff in our residential buildings continued their essential on-site role while maintaining social distance and taking necessary measures to protect their health.



We continued to use available HUD waivers to adapt otherwise routine processes that might pose an unnecessary risk of exposure.

MPHA monitored COVID-19 infection rates and made policy decisions regarding the use of masks and common areas.



*Community Partners administer COVID-19 vaccinations to MPHA residents*

MPHA worked with the City of Minneapolis Health Department and the Hennepin County Health Department to roll out COVID-19 vaccination clinics in all MPHA owned buildings and provided early access to vaccinations to all employees. Important support for these clinics was provided by our MPHA staff and Volunteers of America. Throughout March and April, MPHA and partners hosted COVID-19 vaccine clinics at every one of our 42 high-rise buildings, with every resident given a chance to sign up. Through our efforts, nearly 1,400 residents received these vaccines, with another 1,400 confirming they had already received a vaccine elsewhere. MPHA considered this effort a top priority given the high proportion of elderly and disabled residents, close living conditions in a high-rise apartment building, and the public health equity priority of reaching low-income communities and people of color.

This effort was only made possible through our valued partnerships with the Minneapolis Health Department, nurses from Hennepin Healthcare, Volunteers of America social workers, and Minneapolis Fire Department EMTs. In advance of the clinics, our team coordinated with various multicultural health educators who set up lobby tables where the volunteers could assist residents with the vaccination forms and answer any questions related to the vaccine.

MPHA strongly advocated to bring the vaccine directly to our residents who suffer disproportionately from the effects of COVID-19, and who have worked so hard to keep their communities healthy during the past year. We have worked to make vaccine connections for our non-high-rise residents by providing residents in our townhomes and scattered sites with information on community clinics who could provide access to the vaccination.

## Housing Stability

During the pandemic, hundreds of residents of our public housing program fell behind on their rent due to unforeseen circumstances, illness, or increased family expenditures. MPHA hired two full time employees to work directly with residents to help them apply for emergency funding through the Rent Help Minnesota Program. A total of 1043 residents were helped by these efforts and MPHA has been paid over \$2.5 million dollars in past due rent payments.

Additionally, the MPHA HCV Program was awarded \$675,000.00 for direct assistance to HCV families who had fallen behind on their rent during the pandemic. Currently 76 families have been helped by



*MPHA staff help residents navigate Emergency Rental Assistance Paperwork.*

these funds with more than \$250,000.00 of back due rent paid to landlords. MPHA will continue to help and process applications as continued needs arise.

## A Focus on Occupancy

Due to the COVID-19 pandemic, MPHA public housing occupancy levels were impacted. MPHA stepped up efforts to increase occupancy that had lagged due to COVID-19. MPHA forged new partnerships to help house the city's most vulnerable. New virtual tours allowed prospective residents to view units when in-person showings were no longer possible. MPHA worked closely with Northside Achievement Zone to provide housing opportunities to families on the Northside and with our city and county partners to help transition people from temporary hotel shelter provided during the pandemic to permanent and stable housing. MPHA ended the year by exceeding the **98%** occupancy in our public housing portfolio and we continue to strive for high occupancy numbers into 2022.

## Expansion of the Local Project-Based Voucher Program

MPHA issued a second request for proposals for project-based vouchers. The first round of vouchers helped developers expand affordable housing units in the city and resulted in over **2,000** additional affordable units that were added to the city's housing stock. These vouchers, along with increased City investment in affordable rental housing, are setting records for new production and expanding our ability to serve the lowest income city residents. Many of the newly created units are also available to our tenant-based voucher program housing stock. The vouchers helped developers close financing gaps, gain points in additional competitive funding, and provided the largest expansion of units at 30% AMI in over a decade.



*The expansion of Lydia Apartments is under construction. MPHA committed to 40 new units for people in recovery. MPHA partnered with Beacon Interfaith Housing Collaborative to provide voucher funding for this important expansion of affordable housing with services.*

## Expanding Opportunities for Homeless Family Stabilization: Stable Housing and Early Childhood Education

Now in its third full year, MPHA's **Stable Homes Stable Schools** partnership expanded to more families by working with 18 schools in the Minneapolis Public School District. 1,129 families have been helped this year by this program impacting **3,214 children**. Over 100 families are housed in the rental assistance program and are receiving follow up supports from the YMCA. Under the rental assistance component (supported by MPHA's *Goal-Oriented Housing* MTW activity), MPHA and the City of Minneapolis jointly fund three-year rental subsidies for families identified by the schools as experiencing homelessness. The YMCA provides case management services, and a separate philanthropic grant funds support services for additional families who are considered at risk of homelessness. Parents commit to engagement in their child's education through their school and create a success plan with a case manager. MPHA and program partners will work with researchers from the University of Minnesota to monitor outcomes and program success. Initial data shows positive outcomes in school stability and average daily attendance, especially in comparison to other homeless and highly mobile children.



Stable Homes Stable Schools Partners

In October 2021, MPHA, along with **City of Minneapolis, Hennepin County, Minneapolis Public Schools, and YMCA of the North**, was recognized by the **National Association of Housing and Redevelopment Officials (NAHRO)** with an Award of Merit for the program's forward-thinking solution designed to tackle the issues of homelessness and the achievement gap simultaneously.

## Mobility and Regional Partnership

In April of 2021, MPHA and the **Metropolitan Council HRA (Metro HRA)** were one of 12 Housing authorities from across the country chosen to participate in the Housing Mobility Demonstration. This award provides the demonstration with **74 new vouchers** (37 for each agency) and **\$4,013.100** in program funding. These mobility vouchers and funding will allow MPHA and Metro HRA to design a program that will provide families with children better access to low-poverty neighborhoods with high-performing schools and other strong community resources. While the HCV program currently offers families with vouchers the opportunity to live in a neighborhood of their choice, families often face multiple barriers to use their vouchers in many areas of the region. The mobility demonstration will provide additional financial and social supports to help families place their vouchers.



### ***2021 Expanding financial partnerships and continued investment in housing stock.***

Federal capital funds meet approximately **10 percent** of the capital needs of MPHA's public housing portfolio. While we continue to advocate for increased capital funding, MPHA moved forward in 2021 with major efforts to stabilize and preserve our housing portfolio. The outcomes for our agency and MPHA residents will include more stable funding, major capital reinvestment, and long-term preservation of MPHA homes for low-income families. We reached these major milestones with no displacement and a consistent record of resident engagement.

### **Expediting Sprinkler Installation:**

MPHA secured additional city and state resources in 2021 to complete sprinkler installations at 11 buildings. The additional **\$1.15 Million** from the **City of Minneapolis** and **\$2.4 Million** from the **State of Minnesota** allowed MPHA to quickly move to install these important safety measures. The additional funds helped MPHA move closer to the goal of installing sprinklers in all high-rises within 3-5 years.



New Fire Sprinklers in an MPHA Unit

## Preserving Highrise Homes



*The new Energy Efficient Facade for the Elliot Twins will reduce heating and cooling costs for decades to come.*

MPHA completed the **\$27 Million** rehabilitation of The Elliot Twins, a 184-unit high-rise, located near downtown Minneapolis. A new, single-story community building was constructed that now “links” the two towers and provides an important space for the residents to gather and socialize. The community building provides new laundry facilities, exercise and computer rooms, a community kitchen and large community room, and new, secured entrances to the towers. The rehabilitation revitalized all existing apartment units with new kitchens, bathrooms, and flooring. Additionally, a new shell to the buildings will provide energy savings for years to come. A new community link was completed, providing an important space for the residents to gather and socialize. The community link provides new laundry facilities, exercise and computer rooms and a new security entrance. Finally, an additional 10 fully compliant ADA units were added to the buildings. Funding for this unprecedented, \$26 million project was made possible by converting the Elliot Twins to project-based vouchers under HUD’s Rental Assistance Demonstration (RAD) program. MPHA became **the first public housing authority in Minnesota to use RAD to**

**preserve public housing using state housing revenue bonds paired with 4% low-income housing tax credits. These funding sources were combined with energy-efficiency funding from the City of Minneapolis and a contribution from MPHA’s public housing capital fund.** In addition, MPHA used HUD’s new RAD/Section 18 hybrid option to receive enhanced tenant-protection-voucher funding for 25 percent of units. MPHA is self-developed the project. Long-term affordability is protected by multiple mechanisms, including a 99-year ground lease and land- use restriction.



*Newly Renovated Kitchen at the Elliot Twins*

Across our portfolio, MPHA continues to invest in high priority repair and modernization projects to the extent possible under our capital funding: projects included roofs, piping, electricity, HVAC, elevators, and security enhancements. A summary of 2021 capital activities is found in Section II of this MTW Report.



## Expansion of New Homes for Families

MPHA's scattered sites—single-family homes, duplexes, and fourplexes—provide essential housing to low-income families with children served by MPHA. They offer an opportunity for families to engage in their community and can provide a platform to build wealth and prepare for future homeownership.

2021 was a year of planning for an additional **84 new units** to be added to the scattered site portfolio. **\$4.6 million in American Rescue Plan Act** funding was slated for this project by the City of Minneapolis in 2021.



*Rendering of the Proposed New Scattered Site Family Homes.*

Applications for funding, building design, and community engagement were part of the work of the Planning and Development Team. MPHA anticipates breaking ground on this exciting project in 2022.



## 2021: Expanding technology and access for employees and program participants

MPHA continues to strive for operational excellence, measured in terms of customer and employee satisfaction. Our 325 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 February of 2021, MPHA's new software system YARDI Voyager went live. The new system, provided a unified software platform for MPHA's major business functions. By undergoing this much-needed software upgrade to Yardi Voyager, we are seeing gains in productivity, cost savings, compliance, and customer and employee satisfaction. As we continue to expand access to this technology, it will be even more convenient for



*MPHA is facing the future with a unified software system*

residents, participants, and landlords to update paperwork, pay rent and report changes to staff.

In November 2021, MPHA opened the family housing waiting list by utilizing the Yardi online system. Applicants were able to access the application 24 hours per day from any device. MPHA did provide a number of kiosks and staff for anyone that needed access to a device and/or required assistance in completing the application.

**(II) GENERAL OPERATING INFORMATION****ANNUAL MTW REPORT****A. HOUSING STOCK INFORMATION****i. Actual New Project Based Vouchers**

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

| PROPERTY NAME   | NUMBER OF VOUCHERS NEWLY PROJECT-BASED |           | STATUS AT END OF PLAN YEAR**                             | RAD? | DESCRIPTION OF PROJECT  |
|---|--|-----------|--|------|---|
|   | Planned*                               | Actual    |  |      |   |
| PBV Conversion of Metropolitan Housing Opportunity Program (MHOP) | 306                                    | 0         | N/A  | No   | MPHA currently holds the ACC for 306 units that will be converted at some point to PBV. These units were a result of the Hollman v. Cisneros Consent Decree, and many are located outside the City of Minneapolis. MPHA continues to work to operationalize this change with HUD, after which these units will be converted to PBV units to streamline operations and reduce administrative burden. |
| Snelling Yards - Seniors  | 11                                     | 0         | Committed  | No   | Low-income seniors  |
| Bloom Lake Flats  | 25                                     | 0         | Committed  | No   | HIV/AIDS, High Priority Homeless, Low Income  |
| Timber and Tie (formerly 14 <sup>th</sup> and Central)            | 25                                     | 25        | Leased/Issued  | No   | Low-income housing  |
| Lydia Apartments - Expansion                                      | 40                                     | 0         | Committed  |      | Low Income Disabled, High Priority Homeless   |
| 2528 13 <sup>th</sup> Ave S                                       | 1                                      | 0         | Committed  | No   | Low-income Housing  |
| Catholic Charities "Exodus 2"                                     | 56                                     | 0         | Committed  | No   | Chronically homeless, including those recovering from illness or injury   |
|   | <b>464</b>                             | <b>25</b> | <b>Planned/Actual Total Vouchers Newly Project-Based</b> |      |   |

\* Figures in the "Planned" column should match the corresponding Annual MTW Plan.

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

**Please describe differences between the Planned and Actual Number of Vouchers Newly Project-Based:**

The PBV conversion of MHOP was not initiated in 2020. PBV conversion is still pending for a small number of scattered sites which were under rehab and/or unoccupied at the time the majority of units converted. At the Elliot Twins, 10 additional PBVs will not be placed until as construction completes in 2021. The planned construction of MPHA “energy pilot” scattered site homes was postponed indefinitely. Waadag Commons and Snelling Yards did not receive AHAPs as expected. MPHA entered into an AHAP with Catholic Charities for its Exodus 2.0 development.

**ii. Actual 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 was in place by the beginning of the Plan Year. Indicate whether the unit is included in RAD.

| PROPERTY NAME           | NUMBER OF PROJECT-BASED VOUCHERS |        | STATUS AT END OF PLAN YEAR** | RAD? | DESCRIPTION OF PROJECT   |
|-------------------------|----------------------------------|--------|------------------------------|------|--|
|                         | Planned*                         | Actual |                              |      |  |
| Archdale                | 13                               | 13     | Leased/Issued                | No   | Serves homeless youth  |
| Armadillo Flats - 2727  | 4                                | 4      | Leased/Issued                | No   | Serves low-income people   |
| Armadillo Flats - 2743  | 4                                | 4      | Leased/Issued                | No   | Serves low-income people   |
| Barrington              | 3                                | 3      | Leased/Issued                | No   | Serves low/mod. income people  |
| Bottineau Lofts         | 9                                | 9      | Leased/Issued                | No   | Serves low-income people   |
| Boulevard               | 6                                | 6      | Leased/Issued                | No   | Serves low-income people   |
| Catholic ElderCare      | 24                               | 26     | Leased/Issued                | No   | Assisted living facility for elderly people                                  |
| Central Ave Apts        | 61                               | 61     | Leased/Issued                | No   | Serves low-income people   |
| Central Ave Lofts       | 8                                | 8      | Leased/Issued                | No   | Serves low-income people   |
| Clare Apts              | 28                               | 28     | Leased/Issued                | No   | Serves single adults who have HIV/AIDS                                       |
| Collaborative Village   | 16                               | 16     | Leased/Issued                | No   | Serves homeless indiv. & Families  |
| Creekside Commons       | 6                                | 6      | Leased/Issued                | No   | Serves low-income people   |
| Downtown View           | 25                               | 25     | Leased/Issued                | No   | Serves homeless youth  |
| Emanuel Housing         | 6                                | 6      | Leased/Issued                | No   | Serves Veterans  |
| Families Moving Forward | 12                               | 12     | Leased/Issued                | No   | Serves homeless individuals and families                                     |
| Franklin Portland       | 7                                | 7      | Leased/Issued                | No   | Serves low-income people   |
| Gateway Northeast       | 26                               | 26     | Committed                    |      | Includes 10 units for families formerly experiencing long-term homelessness. |
| Hiawatha Commons        | 20                               | 20     | Leased/Issued                | No   | Serves low-income people   |
| Jeremiah                | 18                               | 18     | Leased/Issued                | No   | Serves low-income single women with children                                 |
| Journey Homes           | 12                               | 12     | Leased/Issued                | No   | Supportive services for disabled, homeless families                          |
| Lamoreaux               | 13                               | 13     | Leased/Issued                | No   | Serves homeless individuals  |
| Lindquist               | 24                               | 24     | Leased/Issued                | No   | Serves low-income people   |
| Lonoke                  | 4                                | 4      | Leased/Issued                | No   | Serves low-income people   |
| Loring Towers           | 43                               | 43     | Leased/Issued                | No   | Serves low-income people   |

|                                   |            |            |   |    |  |
|-----------------------------------|------------|------------|---|----|--|
| The Louis                         | 10         | 10         | Leased/Issued   | No | Serves low-income people   |
| Lutheran Social Services          | 12         | 12         | Leased/Issued   | No | Serves homeless households   |
| Lydia                             | 40         | 40         | Leased/Issued   | No | Serves disabled homeless individuals   |
| Many Rivers East                  | 7          | 7          | Leased/Issued   | No | Serves low-income people   |
| Many Rivers West                  | 3          | 3          | Leased/Issued   | No | Serves low-income people   |
| Maya Commons                      | 4          | 4          | Leased/Issued   | No | Serves low-income people   |
| Minnehaha Commons                 | 15         | 10         | Leased/Issued   | No | Individuals over 55 with history of homelessness and/or disability<br><b>Also includes 5 project-based VASH.</b> |
| MN Indian Women's Resource Center | 13         | 13         | Leased/Issued   | No | Serves homeless, Native American families  |
| Park Ave. Apts. (LSS)             | 10         | 10         | Leased/Issued   | No | Serves low-income people   |
| Park Plaza (phase I)              | 16         | 16         | Leased/Issued   | No | Serves low-income people   |
| Park Plaza (phase II)             | 12         | 12         | Leased/Issued   | No | Serves low-income people   |
| Park Plaza (phase III)            | 48         | 48         | Leased/Issued   | No | Serves low-income people   |
| Passage                           | 10         | 10         | Leased/Issued   | No | Serves low-income single women with or without children  |
| Penn Avenue Station               | 4          | 4          | Committed   | No | Serves low-income people   |
| Phillips Family                   | 28         | 28         | Leased/Issued   | No | Serves low-income people   |
| Phillips Redesign                 | 4          | 4          | Leased/Issued   | No | Serves low-income people   |
| Pinecliff                         | 7          | 7          | Leased/Issued   | No | Serves low-income people   |
| Portland Village                  | 25         | 25         | Leased/Issued   | No | Serves homeless families with a disabled adult member  |
| PPL Foreclosure                   | 21         | 21         | Leased/Issued   | No | Serves low-income people   |
| PPL Fourth Ave                    | 6          | 6          | Leased/Issued   | No | Serves low-income people   |
| The Redwell                       | 22         | 22         | Leased/Issued   | No | Serves low-income people   |
| River Runs                        | 16         | 16         | Leased/Issued   | No | Serves low-income people   |
| The Rose                          | 15         | 15         | Leased/Issued   | No | Serves low-income people   |
| Spirit on Lake                    | 5          | 5          | Leased/Issued   | No | Serves low-income people   |
| St. Anthony Mills                 | 17         | 17         | Leased/Issued   | No | Serves low-income people   |
| St. Barnabas                      | 39         | 39         | Leased/Issued   | No | Serves homeless and at-risk youth  |
| Trinity Gateway                   | 16         | 16         | Leased/Issued   | No | Serves low-income people   |
| West River Gateway                | 12         | 12         | Leased/Issued   | No | Serves low-income people   |
|                                   | <b>829</b> | <b>826</b> | <b>Planned/Actual Total Existing Project-Based Vouchers</b> |    |  |

\* Figures and text in the "Planned" column should match the corresponding Annual MTW Plan.

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

**Please describe differences between the Planned and Actual Existing Number of Vouchers Project-Based:**

The HAP agreement with Tubman ended in 2020. This table removes five project-based (non-MTW) VASH vouchers from the total previously reported under Minnehaha Commons and corrects for a two-unit reporting discrepancy at the Catholic Eldercare development.

**iii. Actual Other Changes to MTW Housing Stock in the Plan Year**

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

| ACTUAL OTHER CHANGES TO MTW HOUSING STOCK IN THE PLAN YEAR |
|--|
| N/A  |

**iv. General Description of All Actual Capital Expenditures During the Plan Year**

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

| GENERAL DESCRIPTION OF ALL ACTUAL CAPITAL EXPENDITURES DURING THE PLAN YEAR  |
|--|
| <p>Actual 2021 Capital expenditures totaled approximately \$10.3 Million. Major work, completed or initiated, included:</p> <ul style="list-style-type: none"> <li>○ Façade restoration and window replacement at the Cedars</li> <li>○ Redundant boiler installation and other HVAC improvements at 1015 4<sup>th</sup> Avenue North</li> <li>○ Re-construction of a single-family home</li> <li>○ Window replacement and HVAC systems upgrades at 600 18<sup>th</sup> Avenue North</li> <li>○ Elevator modernization at 1707 3<sup>rd</sup> Avenue South, 1611 South 6<sup>th</sup> Street, 2728 East Franklin Avenue, 3755 Snelling, and 3205 East 37<sup>th</sup> Street</li> <li>○ Site security upgrades at 315 Lowry Avenue North</li> <li>○ Roof replacement at 1314 44<sup>th</sup> Avenue North &amp; 314 Hennepin Avenue</li> <li>○ Roof/siding replacement, unit renovation, and other structural/electrical/site improvements at various CHR scattered sites</li> <li>○ HCPD accessible unit upgrades and common area improvements at the Hiawatha Towers complex</li> <li>○ Generator, main electrical switch gear and unit entry door replacement at 1707 3<sup>rd</sup> Avenue South</li> <li>○ HVAC systems upgrades at several high-rises</li> <li>○ Comprehensive building modernization at 1314 44<sup>th</sup> Avenue North</li> <li>○ Security surveillance systems and equipment upgrades at multiple sites</li> <li>○ Fire suppression system installation at multiple high-rises</li> <li>○ Pre-development work for scattered sites rehab &amp; new construction</li> <li>○ Property improvements associated with MPHA's Quality Maintenance Program</li> </ul> <p>The variance between forecasted and actual spending was primarily due to delays in planning and construction activities caused by the COVID-19 pandemic. Additionally, some projects were deferred or delayed due to significant increases in construction costs and material and labor shortages that have come with the volatile construction market.</p> |

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

Snapshot and unit month information on the number of households the MTW PHA actually served at the end of the Plan Year.

| NUMBER OF HOUSEHOLDS SERVED THROUGH:       | NUMBER OF UNIT MONTHS OCCUPIED/LEASED* |                | NUMBER OF HOUSEHOLDS SERVED** |              |
|--|--|----------------|-------------------------------|--------------|
|  | Planned^^                              | Actual         | Planned^^                     | Actual       |
| MTW Public Housing Units Leased            | 64,284                                 | 61,068         | 5,357                         | 5,089        |
| MTW Housing Choice Vouchers (HCV) Utilized | 42,084                                 | 42,084         | 3,507                         | 3,507        |
| Local, Non-Traditional: Tenant-Based       | 2,580                                  | 1,308          | 215                           | 109          |
| Local, Non-Traditional: Property-Based     | 1,224                                  | 1,368          | 102                           | 114          |
| Local, Non-Traditional: Homeownership      | 108                                    | 144            | 9                             | 12           |
| <b>Planned/Actual Totals</b>               | <b>110,280</b>                         | <b>105,972</b> | <b>9,190</b>                  | <b>8,831</b> |

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

\*\* "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 (as shown in the Annual MTW Plan).

^^ Figures and text in the "Planned" column should match the corresponding Annual MTW Plan.

**Please describe any differences between the planned and actual households served:**

The significant difference in Actual Public Housing Units (and a corresponding difference in MTW vouchers) is primarily accounted for by the conversion of units to PBV under RAD and Section 18. The difference in tenant-based LNT is largely due to fewer-than-projected families in Stable Homes Stable Schools rental assistance. Certain property-based LNT units also came online earlier than expected.

| LOCAL, NON-TRADITIONAL CATEGORY | MTW ACTIVITY NAME/NUMBER  | NUMBER OF UNIT MONTHS OCCUPIED/LEASED* |              | NUMBER OF HOUSEHOLDS TO BE SERVED* |            |
|---------------------------------|---|--|--------------|------------------------------------|------------|
|                                 |   | Planned^^                              | Actual       | Planned^^                          | Actual     |
| <b>Tenant-Based</b>             | 2018-2 Goal-Oriented Housing (Stable Homes Stable Schools)                        | 1,980                                  | 1,200        | 165                                | 100        |
|                                 | 2020-3 Flexible Subsidy for Community Priorities                                  | 600                                    | 0            | 50                                 | 0          |
|                                 | 2016-2 Reintegration of Offenders (Better Futures)                                | 360                                    | 108          | 30                                 | 9          |
| <b>Property-Based</b>           | 2016-2 Reintegration of Offenders (Great River Landing/Beacon)                    | 480                                    | 420          | 40                                 | 35         |
|                                 | 2020-3 Flexible Subsidy for Community Priorities (Hook and Ladder; sponsor-based) | 120                                    | 120          | 10                                 | 10         |
|                                 | 2016 – 3 Supp. Housing for Youth (Beacon Properties)                              | 624                                    | 828          | 52                                 | 69         |
| <b>Homeownership</b>            | 2010-4 Lease-To-Own Initiative  | 144                                    | 144          | 12                                 | 12         |
| <b>Planned/Actual Totals</b>    |   | <b>4,308</b>                           | <b>2,820</b> | <b>359</b>                         | <b>235</b> |

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

^^ Figures and text in the "Planned" column should match the corresponding Annual MTW Plan.

| HOUSEHOLDS RECEIVING LOCAL, NON-TRADITIONAL SERVICES ONLY | AVERAGE NUMBER OF HOUSEHOLDS PER MONTH | TOTAL NUMBER OF HOUSEHOLDS IN THE PLAN YEAR |
|---|--|---|
| None  | 0                                      | 0   |

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

Discussion of any actual issues and solutions utilized in the MTW housing programs listed.

| HOUSING PROGRAM                   | DESCRIPTION OF ACTUAL LEASING ISSUES AND SOLUTIONS  |
|-----------------------------------|---|
| <b>MTW Public Housing</b>         | MPHA opened the family housing in November 2021. We continue to explore ways to expand agency-owned and alternative subsidy programs to aid families with children.   |
| <b>MTW Housing Choice Voucher</b> | Minneapolis has a tight rental market with a vacancy rate of less than 3%. MPHA's efforts include investing in dedicated resident mobility and owner outreach positions to create new housing opportunities, completing a study of our local rental market, an incentive fund for property owners, and regional partnership.<br><br>MPHA continues to invest in owner outreach efforts to cultivate landlords who are willing to accept vouchers. Release of new PBV RFP for 2021 to support development of new affordable units. |
| <b>Mainstream Vouchers</b>        | In 2020, MHPA received two substantial awards of Mainstream vouchers, which resulted in a temporarily low lease-up rate in the latter part of 2020. In addition to waiting list pulls for eligible households, MPHA is in conversation with partners who can use these vouchers with individuals that will receive housing search support and stability services (i.e., Move On, Hotels to Housing, etc.)   |

|                               |   |
|-------------------------------|---|
| <b>Local, Non-Traditional</b> | Given the tight rental market, the local non-traditional programs such as Stable Homes Stable Schools have focused on leveraging partnerships to reach out to property owners. Our experience shows property owners have shown greater willingness to participate in programs with a mission to serve a specific population, like children experiencing homelessness or veterans. Using MTW flexibility, MPHA will explore flexible subsidies that can be tailored to the needs of families, priorities of the community, and experience of non-profit partners |
|-------------------------------|---|

### C. WAITING LIST INFORMATION

#### i. Actual Waiting List Information

Snapshot information on the actual status of MTW waiting lists at the end of the Plan Year. The “Description” column should detail the structure of the waiting list and the population(s) served.

| WAITING LIST NAME                            | DESCRIPTION  | NUMBER OF HOUSEHOLDS ON WAITING LIST | WAITING LIST OPEN, PARTIALLY OPEN OR CLOSED | WAS THE WAITING LIST OPENED DURING THE PLAN YEAR |
|--|--|--------------------------------------|---|--|
| Public Housing Elderly/Disabled/Near-Elderly | Disabled persons between the ages of 18 and 49, Near-Elderly 50-61, and Elderly persons 62+. | 7,827                                | Open  | Yes  |
| Public Housing Family                        | Families with at least one dependent   | 7,065                                | Closed                                      | Yes  |
| Housing Choice Voucher Program               | All households who applied   | 2,002                                | Closed                                      | No   |

Please describe any duplication of applicants across waiting lists:

Households who are eligible for more than one MPHA program may apply to each program when its waiting list is open and thus may be active on multiple MPHA waiting lists.

#### ii. Actual Changes to Waiting List in the Plan Year

Please describe any actual 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 ACTUAL CHANGES TO WAITING LIST |
|-------------------|---|
| N/A               | N/A   |

### D. INFORMATION ON STATUTORY OBJECTIVES AND REQUIREMENTS

#### i. 75% of Families Assisted Are Very Low Income

HUD will verify compliance with the statutory requirement that at least 75% of the households assisted by the MTW PHA are very low income for MTW public housing units and MTW HCVs through HUD systems. The MTW PHA should provide data for the actual families housed upon admission during the PHA’s Plan Year reported in the “Local, Non-Traditional: Tenant-Based”; “Local, Non-Traditional: Property-Based”; and “Local, Non-Traditional: Homeownership” categories. Do not include households reported in the “Local, Non-Traditional Services Only” category.

| INCOME LEVEL                 | NUMBER OF LOCAL, NON-TRADITIONAL HOUSEHOLDS ADMITTED IN THE PLAN YEAR* |
|------------------------------|--|
| 80%-50% Area Median Income   | 0  |
| 49%-30% Area Median Income   | 3  |
| Below 30% Area Median Income | 104  |
|                              | 107  |



**Total Local, Non-Traditional Households Admitted****ii. Maintain Comparable Mix**

HUD will verify compliance with the statutory requirement that MTW PHAs continue to serve a comparable mix of families by family size by first assessing a baseline mix of family sizes served by the MTW PHA prior to entry into the MTW demonstration (or the closest date with available data) and compare that to the current mix of family sizes served during the Plan Year.

| <b>BASELINE MIX OF FAMILY SIZES SERVED (upon entry to MTW)</b> |                                      |                      |                             |                            |                                |
|--|--------------------------------------|----------------------|-----------------------------|----------------------------|--------------------------------|
| <b>FAMILY SIZE</b>   | <b>OCCUPIED PUBLIC HOUSING UNITS</b> | <b>UTILIZED HCVs</b> | <b>NON-MTW ADJUSTMENTS*</b> | <b>BASELINE MIX NUMBER</b> | <b>BASELINE MIX PERCENTAGE</b> |
| <b>1 Person</b>  | 4,485                                | 1,575                | X                           | 6,060                      | 60%                            |
| <b>2 Person</b>  | 497                                  | 783                  | X                           | 1,280                      | 13%                            |
| <b>3 Person</b>  | 216                                  | 696                  | X                           | 912                        | 9%                             |
| <b>4 Person</b>  | 170                                  | 586                  | X                           | 756                        | 7%                             |
| <b>5 Person</b>  | 112                                  | 350                  | X                           | 462                        | 5%                             |
| <b>6+ Person</b>   | 204                                  | 410                  | X                           | 614                        | 6%                             |
| <b>TOTAL</b>   | 5,684                                | 4,400                | X                           | 10,084                     | 100%                           |

\* "Non-MTW Adjustments" are defined as factors that are outside the control of the MTW PHA. An example of an acceptable "Non-MTW Adjustment" would include demographic changes in the community's overall population. If the MTW PHA includes "Non-MTW Adjustments," a thorough justification, including information substantiating the numbers given, should be included below.

**Please describe the justification for any "Non-MTW Adjustments" given above:**

No such adjustments.

| <b>MIX OF FAMILY SIZES SERVED (in Plan Year)</b> |                                  |  |   |  |
|--|----------------------------------|--|---|--|
| <b>FAMILY SIZE</b>                               | <b>BASELINE MIX PERCENTAGE**</b> | <b>NUMBER OF HOUSEHOLDS SERVED IN PLAN YEAR^</b> | <b>PERCENTAGE OF HOUSEHOLDS SERVED IN PLAN YEAR^^</b> | <b>PERCENTAGE CHANGE FROM BASELINE YEAR TO CURRENT PLAN YEAR</b> |
| <b>1 Person</b>                                  | 60%                              | 4,945 PH / 1,470 HCV                             | 64.69%  | 4.69%  |
| <b>2 Person</b>                                  | 13%                              | 612 PH / 648 HCV                                 | 12.71%  | -0.29%   |
| <b>3 Person</b>                                  | 9%                               | 223 PH / 496 HCV                                 | 7.25%   | -1.75 %  |
| <b>4 Person</b>                                  | 7%                               | 155 PH / 404 HCV                                 | 5.64%   | -1.36%   |
| <b>5 Person</b>                                  | 5%                               | 95 PH / 278 HCV                                  | 3.76%   | -1.24%   |
| <b>6+ Person</b>                                 | 6%                               | 144 PH / 446 HCV                                 | 5.95%   | -.05%  |
| <b>TOTAL</b>                                     | 100%                             | 6,174 PH / 3,742 HCV                             | 100%  | 0%   |

\*\* The "Baseline Mix Percentage" figures given in the "Mix of Family Sizes Served (in Plan Year)" table should match those in the column of the same name in the "Baseline Mix of Family Sizes Served (upon entry to MTW)" table.

^ The "Total" in the "Number of Households Served in Plan Year" column should match the "Actual Total" box in the "Actual Number of Households Served in the Plan Year" table in Section II.B.i of this Annual MTW Report.

^^ The percentages in this column should be calculated by dividing the number in the prior column for each family size by the "Total" number of households served in the Plan Year. These percentages will reflect adjustment to the mix of families served that are due to the decisions of the MTW PHA. Justification of percentages in the current Plan Year that vary by more than 5% from the Baseline Year must be provided below.

**Please describe the justification for any variances of more than 5% between the Plan Year and Baseline Year:**

N/A

**iii. Number of Households Transitioned to Self-Sufficiency in the Plan Year**

Number of households, across MTW activities, that were transitioned to the MTW PHA's local definition of self-sufficiency during the Plan Year.

| MTW ACTIVITY NAME/NUMBER                | # OF HH TRANSITIONED TO SELF SUFFICIENCY* | MTW PHA LOCAL DEFINITION OF SELF SUFFICIENCY   |
|---|---|--|
| Public Housing Working Family Incentive | 77  | Public housing residents whose rent increased to the flat rent amount for their unit.  |
| Biennial Income Recertification         | 77  | Public housing residents whose rent increased to the flat rent amount for their unit.  |
| Lease-To-Own Initiative                 | 4   | Income sufficient to purchase home   |
| GO Housing                              | 0   | Grad. from program, no longer require rental assistance  |
| HCV Rent Reform Initiative              | 56  | Households going off program due to \$0 HAP  |
| Shelter to Home – PH                    | 0   | Graduating from program.   |
| Reintegration of Offenders              | 9   | Maintained lease in own name for 90 days, employed at least 90 days for 20 hrs./ week, no new offenses or return to custody for 90 days. |
| Permanent Supportive Housing for Youth  | 2   | Youth on an education or employment trajectory and able to afford safe and decent housing upon exit from program                         |
|   | 77  | <b>(Households Duplicated Across MTW Activities)</b>   |
|   | <b>371</b>                                | <b>Total Households Transitions to Self Sufficiency</b>  |

\* Figures should match the outcome reported where metric SS#8 is used in Section IV of this Annual MTW Report.

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

All proposed MTW activities that were granted approval by HUD are reported in Section IV as “Approved Activities.”

## IV. Approved MTW Activities

| Implemented Activities                               | <u>Approved</u> | <u>Implemented</u> |                       |
|--|-----------------|--------------------|-----------------------|
| Affordable Housing Creation & Preservation Toolkit   | 2020            | 2020               |                       |
| Asset Verification                                   | 2018            | 2018               |                       |
| Biennial Income Recertification (Public Housing)     | 2018            | 2018               |                       |
| Conversion of Subsidy and Capital for MHOP Units     | 2018            | 2018               |                       |
| Flexible Subsidy for Community Priorities            | 2020            | 2020               |                       |
| Goal-Oriented Housing Initiative                     | 2018            | 2018               |                       |
| Inspections & Rent-Reasonableness for MPHA-Owned     | 2020            | 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               |                       |
| Permanent Supportive Housing for Youth               | 2016            | 2016               |                       |
| Property Owners Incentive Program                    | 2018            | 2018               |                       |
| Public Housing Working Family Incentive              | 2010            | 2011               |                       |
| Rent Reform Initiative                               | 2014            | 2014               |                       |
| Replace form of DOT with LURA to Preserve PH         | 2019            | 2020               |                       |
| Shelter to Home – Public Housing                     | 2015            | 2017               |                       |
| Activities Not Yet Implemented                       | -               | -                  |                       |
| Activities On-Hold                                   | <u>Approved</u> | <u>Implemented</u> | <u>On-Hold/Closed</u> |
| Alternate Income Verifications                       | 2013            | -                  | 2017                  |
| Public Housing Earned Income Disregard               | 2009            | 2010               | 2017                  |
| Closed-Out Activities                                |                 |                    |                       |
| <i>Closed in 2020:</i>                               |                 |                    |                       |
| Conversion of 312 Mixed-Financed PH Units to PBV     | 2010            | 2019               | 2020                  |
| Reintegration of Offenders                           | 2016            | 2017               | 2020                  |
| Shelter to Home – Project-Based Vouchers             | 2016            | 2016               | 2020                  |
| Soft-Subsidy Initiative                              | 2011            | 2013               | 2020                  |
| Targeted Project-Based Initiative                    | 2011            | 2012               | 2020                  |
| <i>Previously Closed:</i>                            |                 |                    |                       |
| Absence from Unit Initiative                         | 2011            | 2011               | 2017                  |
| Biennial HQS Inspections                             | 2012            | 2012               | 2014                  |
| Block Grant & Fungible Use of MPHA Resources         | 2009            | 2009               | 2017                  |
| Combine Homeownership Programs                       | 2009            | 2009               | 2012                  |
| Earned Income Disallowance Simplification – HCV      | 2012            | 2012               | 2016                  |
| Foreclosure Stabilization PBV Demonstration Program  | 2010            | 2011               | 2017                  |
| MPHA/Hennepin County Transitional Housing            | 2013            | 2014               | 2016                  |
| Public Housing Self-Sufficiency Program              | 2009            | 2009               | 2012                  |

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

## A. IMPLEMENTED ACTIVITIES

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

Approved and implemented in 2020

**Objective:** Housing Choice

**Description/Update**

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, expanding current properties, or 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.

**Partnership:** MPHA’s portfolio plan envisions working with tax-credit and other partners to create mixed-finance developments that preserve our housing and potentially expand our service to the community. We may also develop our properties with an eye to facilitating work by service-provider partners who can reach our residents with resources and improve quality of life. We believe the MTW authorization under Attachment C - C.7(a) provides assurance to all partners—and, quite importantly, 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. The waiver related to site acquisition requirements allows MPHA to move quickly in such cases, acquiring sites without prior HUD approval (while understanding the agency must still meet all site-selection requirements).

In 2021, MPHA completed a RAD conversion at the Elliot Twins that leveraged our MTW single-fund flexibility, certain approved regulatory waivers, and a tax credit partnership to minimize the near-term impact on residents and to preserve and reinvest in these homes. Ten additional units at the Elliot Twins were listed in the 2020 plan, but this was premature; these units came online in 2021. MPHA will continue to look for opportunities to acquire property that would yield in affordable housing production.

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

None

| <b>HC#1: Additional Units of Housing Made Available</b>   |                 |   |                |                            |
|---|-----------------|---|----------------|----------------------------|
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b>  | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household give that type in this box)   | 0               | 5<br>Family Housing<br><br>10<br>(Disabled/ADA-compliant units) | 10             | No*                        |
| * Anticipated purchases did not occur; the 10 ADA-compliant units will come online in 2021.   |                 |   |                |                            |
| <b>HC#2: Units of Housing Preserved</b>   |                 |   |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b>  | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). If units reach a specific type of household, give that type in this box. | 0               | 174<br>(Primarily senior, disabled, immigrant)                  | 881            | Yes                        |

## Asset Verification (Activity 2018 – 4)

Approved and implemented, 2018

**Objective:** Cost-effectiveness

### Description/Update

MPHA modified the definition of annual income to exclude income from assets valued at \$50,000 or less. In cases where household assets are valued at more than \$50,000, MPHA calculates and counts only the imputed income from assets by using the market value of the asset and multiplying it by the MPHA-established Passbook Savings Rate. MPHA seeks third-party verification for assets valued at more than \$50,000. By eliminating a time-consuming process, this change saves the agency time and overall allows more cost-effective utilization resources.

In 2018, MPHA began phasing this change in at each scheduled or interim rent redetermination. It was fully implemented in 2021.

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

None.

| <b>CE#1: Agency Cost Savings</b>                                    |                 |                  |                     |                            |
|---|-----------------|------------------|---------------------|----------------------------|
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>2021 Outcome</b> | <b>Benchmark Achieved?</b> |
| Total cost of task in dollars (decrease).                           | \$28,509        | \$2,479          | \$234               | Yes                        |
| <b>CE#2: Staff Time Savings</b>                                     |                 |                  |                     |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>2021 Outcome</b> | <b>Benchmark Achieved?</b> |
| Total time to complete the task in staff hours (decrease).          | 1,150 Hours     | 100 Hours        | 9.5 Hours           | Yes                        |
| <b>CE#3: Decrease in Error Rate of Task Execution*</b>              |                 |                  |                     |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>2021 Outcome</b> | <b>Benchmark Achieved?</b> |
| Average error rate in completing a task as a percentage (decrease). | 1               | 0                | 0                   | Yes                        |

\* Not an objective of this activity.

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

Approved and implemented, 2018

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

### Description/Update

This initiative changed income certification of non-elderly, non-disabled families to every other year, rather than annually. (MPHA already certified families who are elderly or disabled, and who are on a fixed income, every three years.) Residents may still request interim recertifications or utilize a hardship policy if they believe they are adversely affected by the biannual schedule. The change is intended to save the agency time and allow more cost-effective utilization of its resources. This activity 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. Although the primary objective of this activity is cost-effectiveness, by allowing residents to retain more earnings in the near term, we also anticipate that the change may encourage modest increases in earned income by public housing residents, contributing to greater self-sufficiency.

In 2018, MPHA began phasing in the implementation of this initiative at each new, interim, or recertification. As of 2020, it was fully phased-in. The activity generates substantial time and cost savings. In 2021, self-sufficiency increased as residents returned to work following Covid-19 shutdowns.

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

None

| <b>CE#1: Agency Cost Savings</b>                           |                 |                  |                     |                            |
|--|-----------------|------------------|---------------------|----------------------------|
| <b>Unit of Measurement</b>                                 | <b>Baseline</b> | <b>Benchmark</b> | <b>2021 Outcome</b> | <b>Benchmark Achieved?</b> |
| Total cost of task in dollars (decrease).                  | \$31,310        | \$15,667         | \$7,306             | No                         |
| <b>CE#2: Staff Time Savings</b>                            |                 |                  |                     |                            |
| <b>Unit of Measurement</b>                                 | <b>Baseline</b> | <b>Benchmark</b> | <b>2021 Outcome</b> | <b>Benchmark Achieved?</b> |
| Total time to complete the task in staff hours (decrease). | 1,263 Hours     | 632 Hours        | 395 Hours           | No                         |
| <b>CE#5: Increase in Agency Rental Revenue*</b>            |                 |                  |                     |                            |
| <b>Unit of Measurement</b>                                 | <b>Baseline</b> | <b>Benchmark</b> | <b>2021 Outcome</b> | <b>Benchmark Achieved?</b> |
| Total Household contributions towards housing assistance.  | \$20,050,000    | \$21,000,000     | \$17,385,794        | No                         |

\* Not an objective of this activity.



| <b>SS#1: Increase in Household Income</b>  |                 |                  |                     |                            |
|--|-----------------|------------------|---------------------|----------------------------|
| <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>2021 Outcome</b> | <b>Benchmark Achieved?</b> |
| Average earned income of households affected by this policy in dollars (increase). | \$26,600        | \$26,200         | \$26,232            | Yes                        |

| <b>SS#3: Increase in Positive Outcomes in Employment Status*</b> |                 |                  |                     |                             |
|--|-----------------|------------------|---------------------|-----------------------------|
| <b>Unit of Measurement</b>                                       | <b>Baseline</b> | <b>Benchmark</b> | <b>2021 Outcome</b> | <b>Benchmark Achieved?*</b> |
| (1) Employed Full-Time   | 0               | 0                | 265                 | Yes                         |
| (2) Employed Part-Time   | 0               | 0                | 518                 | Yes                         |
| (3) Enrolled in an Educational Program                           | 0               | 0                | 0                   | Yes                         |
| (4) Enrolled in Job Training Program                             | 0               | 0                | 0                   | Yes                         |
| (5) Unemployed   | 0               | 0                | 188                 | Yes                         |
| (6) Other  | 0               | 0                | 0                   | Yes                         |

\* Not an objective of this activity.

| <b>SS#4: Households Removed from Temporary Assistance for Needy Families*</b> |                 |                  |                     |                            |
|---|-----------------|------------------|---------------------|----------------------------|
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>2021 Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households receiving TANF assistance (increase).                    | 265             | 250              | 213                 | Yes                        |

| <b>SS#8: Households Transitioned to Self-Sufficiency</b>           |                 |                  |                     |                            |
|--|-----------------|------------------|---------------------|----------------------------|
| <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>2021 Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households transitioned to self-sufficiency (increase).* | 360             | 100              | 77                  | No                         |

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

The process of managing and operating public housing has proven onerous and costly for property owners of the dispersed MHOP units. These entities have significant staff turnover and MPHA must provide considerable time, resources, and support to continually train providers related to HUD public housing requirements. At Heritage Park, the original compliance period has expired, and we must explore a transition of the property that preserves the deeply affordable housing there and protects families.

This activity is implemented, but still at the planning stage.

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

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

In 2020, MPHA closed another activity that was overlapped substantially with this one (Activity 2010-3, Conversion of Mixed-Finance Public Housing Units to PBV), consolidating the two activities here. Both activities were still in planning stages, and neither had made progress toward its metrics. Benchmarks from the closed activity are integrated into this activity. MPHA made no other changes to the activity, metrics, or data in the plan year. No substantive actions for this activity occurred in 2021.

| <b>CE#1: Agency Cost Savings</b>          |                 |                  |                |                            |
|---|-----------------|------------------|----------------|----------------------------|
| <b>Unit of Measurement</b>                | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Total cost of task in dollars (decrease). | \$72,000        | \$35,000         | 0              | No*                        |

| <b>CE#2: Staff Time Savings</b>                            |                 |                  |                |                            |
|--|-----------------|------------------|----------------|----------------------------|
| <b>Unit of Measurement</b>                                 | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Total time to complete the task in staff hours (decrease). | 1,136 Hours     | 520 Hours        | 0              | No*                        |

| <b>MPHA Metric</b>         |                 |                  |                |                            |
|----------------------------|-----------------|------------------|----------------|----------------------------|
| <b>Unit of Measurement</b> | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of Units Converted  | 306             | 12               | 0              | No*                        |

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

In one existing partnership, MPHA provides a sponsor-based subsidy to a private housing partner in a development to provide new permanent housing to 10 previously homeless families whose head-of-household has a disability. Families 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.

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

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

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

| <b><i>HC#1: Additional Units of Housing Made Available</i></b>  |                 |   |                |                            |
|---|-----------------|---|----------------|----------------------------|
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b>                                | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household give that type in this box)   | 0               | 10<br>(Families, generally with HOH disability) | 10             | Yes                        |
| <b><i>HC#2: Units of Housing Preserved</i></b>  |                 |   |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b>                                | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). If units reach a specific type of household, give that type in this box. | 0               | 0   | 0              | N/A                        |
| <b><i>HC #5: Increase in Resident Mobility</i></b>  |                 |   |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b>                                | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households able to move to a new or better unit and/or neighborhood as a result of the activity (increase)  | 0               | 80  | 0              | N/A                        |
| <b><i>HC #7: Households Assisted by Services that Increase Housing Choice</i></b>   |                 |   |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b>                                | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households receiving services aimed to increase housing choice (increase).  | 0               | 10  | 10             | Yes                        |

## 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 2021 initiatives under GO Housing are as follows:**

**Stable Homes Stable Schools:** The “Stable Homes, Stable Schools” program is a partnership with the City of Minneapolis and the Minneapolis Public Schools to provide rental assistance and supportive services to families of elementary students experiencing homelessness. MPHA and the city jointly fund rental assistance for families identified by caseworkers at schools where the challenge is greatest. Hennepin County and a social services partner, the Twin Cities YMCA, provide a web of ongoing supports. Parents commit to engagement in their child’s education. A local foundation has also entered the partnership to fund services for families identified as at-risk of homelessness. The partners will work with researchers at the University of Minnesota to monitor outcomes and program success.

In its first year (2019), 79 families were eligible for rental assistance, including 271 children. 2021 began the third year of the three-year pilot, and the partners integrated an evaluation component to understand achievements and consider next steps. In 2021, the program served 100 families with rental assistance and over 1000 families with one-time emergency assistance. Altogether, over 3200 children avoided or ended homelessness so they could focus on their education. Also in 2021, the city of Minneapolis made the program an ongoing program in the city budget. Planning has begun to expand SHSS to more schools to support more families.

**Great River Landing and Better Futures:** *This activity (MTW Activity 2016-2) was closed in 2020 and was integrated into Goal-Oriented Housing going forward.* Great River Landing is a sponsor-based, property-based voucher partnership focused on ex-offenders committing to a program of job-training and employment. MPHA has committed to subsidy for 40 residents in this 72-unit development run by Beacon Interfaith Housing Collaborative. In addition to stable housing and access to employment resources, the participants receive social and supportive services from Better Futures Minnesota that help the men reunify with their families and establish civic pride and ties to their communities.

In addition to the Great River Landing property-based subsidies, in 2021 MPHA continued to provide up to 30 tenant-based subsidies to ex-offenders via our partner at Better Futures. The objectives and supports are similar, although these recipients live independently and not at a central property.

**Employment and savings incentive pilot program (unnamed):** In 2021, 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 ongoing pandemic.

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After 2020, this activity also integrated the concept and authorizations from a previously implemented activity that is no longer active: Activity 2011-2 (Soft Subsidy Initiative) was narrowly drafted many years ago for a specific partner; it shares the intent but lacks the scope of Goal-Oriented Housing. Activity 2011-2 was closed as of 2020 and incorporated into this newer activity going forward.

For final-year metrics for activities 2016-2 and 2011-2, see “Closed Activities” → “Activities Closed in 2020” in the 2020 MTW Annual Report.

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

Note that MPHA’s *Reintegration of Offenders* activity (2016-2) and *Soft Subsidy Initiative* (2011-2) closed out in 2020. As detailed in the 2020 MTW Annual Plan, authorizations from Activities 2016-2 and 2011-2 ported over to this activity.

| <b>SS#1: Increase in Household Income</b>   |                 |                  |                |                            |
|---|-----------------|------------------|----------------|----------------------------|
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Average earned income of households affected by this policy in dollars (increase).*           | \$24,976        | \$25,376         | \$27,591       | Yes                        |
| <i>*Income of families with employment income.</i>  |                 |                  |                |                            |
| <b>SS#2: Increase in Household Savings</b>  |                 |                  |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Average amount of savings/escrow of households affected by this policy in dollars (increase). | 0               | 0                | 0              | No*                        |
| <i>*Asset information is not collected and there is no escrow program for this activity.</i>  |                 |                  |                |                            |
| <b>SS#3: Increase in Positive Outcomes in Employment Status</b>                               |                 |                  |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| (1) Employed Full-Time  | 7               | 20               | 25             | Yes                        |
| (2) Employed Part-Time  | 15              | 30               | 12             | No                         |
| (3) Educ. Program   | N/A             | 0                | N/A            | No                         |
| (4) Job Training Program  | N/A             | 0                | N/A            | No                         |
| (5) Unemployed  | 22              | 10               | 64             | No                         |
| (6) Other   | 0               | 0                | 0              | No                         |



| <b>SS#4: Households Removed from Temporary Assistance for Needy Families</b>  |                 |                  |                |                            |
|---|-----------------|------------------|----------------|----------------------------|
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households receiving TANF assistance (decrease).  | 25              | 15               | 61             | No*                        |
| <i>* 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.</i> |                 |                  |                |                            |
| <b>SS#5: Households Assisted by Services that Increase Self-Sufficiency</b>   |                 |                  |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households receiving services aimed to increase self-sufficiency (increase).  | 0               | 70               | 100            | Yes                        |
| <b>SS#6: Reducing Per Unit Subsidy Costs for Participating Households</b>   |                 |                  |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).   | \$0             | 0                | \$0            | No*                        |
| <i>* Families served by SHSS are not currently served by MPHA.</i>  |                 |                  |                |                            |
| <b>SS#8: Households Transitioned to Self-Sufficiency</b>  |                 |                  |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households transitioned to self-sufficiency (increase).*  | 0               | 10               | 0              | No*<br>*                   |
| <i>*Self-Sufficiency defined as graduation / no longer requiring subsidy.<br/>**SHSS was extended into a 4<sup>th</sup> year due to the pandemic so no 'graduations' have occurred.</i>   |                 |                  |                |                            |

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

**Objective:** Cost-Effectiveness

### Description/Update

Federal regulations require an outside contractor to perform HQS inspections and rent reasonableness determinations on PHA-owned units receiving federal subsidies for housing programs. In order to reduce cost and achieve greater cost-effectiveness in federal expenditures, MPHA conducts inspections and determines rent reasonableness for MPHA-owned units under this activity. Eliminating the independent entity is intended to improve administrative efficiencies, eliminate confusion for the resident of the unit, and improve the response time for performing inspections. These activities will be subject to MPHA’s voucher program Quality Control (QC) processes.

This activity could not be fully implemented in 2020 or 2021, nor could metrics be properly calculated, given the unexpected circumstances imposed by COVID-19 that prevented staff from entering units except under very limited conditions. Under appropriate HUD waivers, MPHA postponed the regular inspections it would otherwise have performed under this activity. We expect to fully implement in 2022.

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

No changes to the activity scope, description, metrics, or data.

Subsequent to HUD’s approval of this activity in MPHA’s 2020 MTW Annual Plan, the MPHA Board of Commissioners adopted the Fourth Amendment to MPHA’s Moving to Work Agreement. This amendment—drafted and provided to all MTW PHAs by HUD—introduces additional authorizations into Attachment C of the MTW Agreement, which shall support this activity going forward.

| <b>CE#1: Agency Cost Savings</b>  |                 |                               |                     |                            |
|---|-----------------|-------------------------------|---------------------|----------------------------|
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b>              | <b>2021 Outcome</b> | <b>Benchmark Achieved?</b> |
| Total cost of task in dollars (decrease).   | \$51,000        | 2020: \$35,700 (30% decrease) | 0                   | No*                        |
| <p><i>* Metrics for this activity could not be calculated for 2020, as the activity was not fully implemented given the conditions of COVID-19. Under appropriate HUD waivers, MPHA did not perform the inspections it would otherwise have performed under this activity, thus providing a basis to calculate metrics. We expect to fully implement in 2021.</i></p> |                 |                               |                     |                            |

| <b>CE#2: Staff Time Savings</b>   |                 |                              |                     |                            |
|---|-----------------|------------------------------|---------------------|----------------------------|
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b>             | <b>2021 Outcome</b> | <b>Benchmark Achieved?</b> |
| Total time to complete the task in staff hours (decrease).  | 0               | 2020: -700 hours (increase)* | 0                   | No*                        |
| * MPHA does not currently spend any staff time inspecting these units, so the baseline is zero. This activity uses MPHA staff in lieu of paying a third party, so we would expect an <u>increase</u> in staff time, which will be reported here as a negative number. |                 |                              |                     |                            |
| <b>CE#3: Decrease in Error Rate of Task Execution</b>   |                 |                              |                     |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b>             | <b>2021 Outcome</b> | <b>Benchmark Achieved?</b> |
| Average error rate in completing a task as a percentage (decrease)*   | 50%             | 2020: 50%                    | 0                   | No                         |
| *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 the American Recovery and Reinvestment Act grant to purchase 20 townhome units (the Sumnerfield Townhomes) for the creation of a Lease-to-Own initiative. MPHA’s initial target audience for this initiative was qualified public housing residents, Housing Choice Voucher participants, families on MPHA’s waiting lists, and MPHA and City of Minneapolis employees who qualify for public housing. MPHA later broadened the eligibility to include other low-income, first-time homebuyers. Participants rent these units as public housing residents, with a requirement to purchase within five years. MPHA offers advantageous terms for families that close within two years. MPHA works with participants on achieving the homeownership goal, although participants are ultimately responsible for achieving mortgage-readiness and securing financing. MPHA escrows a portion of each month’s rent (as a contribution toward a down-payment) and matches up to \$1,500 in documented personal savings. LTO residents enroll in a program with Habitat for Humanity to provide homeowner-readiness counseling and mortgage financing options.

MPHA began 2020 with eight townhomes sold, and 12 still in our public housing program. During 2020, we sold four more homes to their residents, which represents an outstanding year for the program’s primary goal of creating new homeowners. The remaining households were naturally affected by the economic recession caused by COVID-19, affecting earnings and savings metrics, although these metrics are always biased downward because they reflect only the subset of families who have not closed (and exited the program), and may be struggling more than others. We continue to try to understand why the savings-match component continues to be a challenge for these families. We do anticipate better results as the economy and employment markets rebound.

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

None.

| <i>SS #1: Increase in Household Income</i>   |          |           |          |                     |
|--|----------|-----------|----------|---------------------|
| Unit of Measurement  | Baseline | Benchmark | Outcome  | Benchmark Achieved? |
| Average earned income of households affected by this policy in dollars (increase). | \$39,000 | \$47,304  | \$46,377 | No                  |
|  |          |           |          |                     |

| <b>SS #2: Increase in Household Savings</b>   |                 |                             |                |                            |
|---|-----------------|-----------------------------|----------------|----------------------------|
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b>            | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Average amount of savings/escrow of households affected by this policy in dollars (increase).*                                | 0               | \$750 per-household average | \$0            | No                         |
| <b>SS #8: Households Transitioned to Self Sufficiency</b>   |                 |                             |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b>            | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households transitioned to self-sufficiency (increase).   | 0               | 2                           | 4              | Yes                        |
| <b>HC #5: Increase in Resident Mobility</b>   |                 |                             |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b>            | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase). | 0               | 0                           | 0              | Yes*                       |
| * This metric is not applicable to this activity, as the townhomes are not in an area of opportunity.                         |                 |                             |                |                            |
| <b>HC #6: Increase in Homeownership Opportunities</b>   |                 |                             |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b>            | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households that purchased a home as a result of the activity (increase).  | 0               | 2                           | 4              | Yes                        |

## 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 utilizing an existing local competitive process for project-basing leased housing assistance at units that meet existing Housing Quality Standards, or any standards developed by the Agency.
- Substituting a Letter of Commitment, MOU or other pre-issuance of a HAP action that is sufficient to move the development forward.
- Modifying HUD's HAP Agreement to include MTW-approved related actions.
- Waiving the caps on the proportion of a development that may be project-based; waiving the caps on allocation of MPHA's voucher program budget authority to PBVs.
- The option of owner-managed, site-based waiting lists (SBWL) and site-based administration for its project-based developments. Owners will be required to develop and obtain MPHA approval on tenant selection plans, including establishing guidelines for selection from the waiting list, screening, re-exams and transfers.
- The option to determine the content of contract rental agreements that differ from otherwise mandated program requirements. This includes continuation of certain public housing lease, grievance, due process-related, and other provisions at properties that have undergone subsidy conversion, as a service to residents who undergo these transitions.
- 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. 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 2021.

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

Note that starting with last year's (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 2021 or beyond, as a further assurance that public housing resident protections are preserved notwithstanding a conversion (except as otherwise required by law). At this time MPHA is interested in implementing only the second (“contact 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.

| <b>HC#1: Additional Units of Housing Made Available</b>   |                 |                  |                |                            |
|---|-----------------|------------------|----------------|----------------------------|
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household give that type in this box)   | 0               | 25               | 51             | Yes                        |
| <b>HC#2: Units of Housing Preserved</b>   |                 |                  |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). If units reach a specific type of household, give that type in this box. | 0               | 891              | 0              | No*                        |
| *This was applicable to the conversions, as there were no new existing housing units that went under HAP contracts in 2021.   |                 |                  |                |                            |



| <b>HC#4: Displacement Prevention</b>   |                 |                  |                |                            |
|--|-----------------|------------------|----------------|----------------------------|
| <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households at or below 80% AMI that would lose assistance or need to move (decrease). If units reach a specific type of household, give that type in this box.   | 0               | 200*             | 0*             | No*                        |
| <p>*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.</p> <p>This was tied to the conversions. There were no new conversions in 2021 for which this was applicable.</p> |                 |                  |                |                            |

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

Approved in 2009, Implemented in 2012

**Objective:** Cost-effectiveness

### Description/Update

MPHA recertifies every three years (instead of annually) elderly, disabled, or other public housing residents who are on a fixed income and whose sources of income are not likely to change for extended periods of time. MPHA anticipates this change would save the agency time and allow better utilization of its resources and believes this change also provides a significant benefit to its residents. MPHA has maintained its policy of reporting changes in income. This activity has the highest impact on our high-rise residents. Changing the annuals to every three years for Elderly/Disabled/residents with a stable income has allowed staff to concentrate their efforts on residents with substantial rent changes. MPHA runs HUD Enterprise Income Verification (EIV) reports every year even for tenants who are not required to do their annual certification in the current year.

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

The rental revenue metric did not achieve its benchmark because of wider economic effects of the COVID-19 pandemic.

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

None.

| CE #1: Agency Cost Savings                                 |              |              |               |                     |
|--|--------------|--------------|---------------|---------------------|
| Unit of Measurement  | Baseline     | Benchmark    | 2021 Outcome  | Benchmark Achieved? |
| Total cost of task in dollars (decrease).                  | \$78,349     | \$31,335     | \$45,720      | Yes                 |
| CE #2: Staff Time Savings                                  |              |              |               |                     |
| Unit of Measurement  | Baseline     | Benchmark    | 2021 Outcome  | Benchmark Achieved? |
| Total time to complete the task in staff hours (decrease). | 3,161 hours  | 1,264 hours  | 1,854 hours   | Yes                 |
| CE #5: Increase in Agency Rental Revenue                   |              |              |               |                     |
| Unit of Measurement  | Baseline     | Benchmark    | 2021 Outcome  | Benchmark Achieved? |
| Rental revenue in dollars (increase).                      | \$14,437,400 | \$20,000,000 | \$ 17,385,794 | No                  |

## 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.

Since adoption, this activity has typically been accompanied by an annual increase in agency rental revenue. However, rental revenue was affected in 2021 by the economic effects of the COVID-19 pandemic and did not meet the benchmark in 2021. Although these effects will persist into 2022, we ultimately expect this downturn will be temporary.

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

None

| CE #5: Increase in Agency Rental Revenue - Public Housing |              |           |              |                     |
|---|--------------|-----------|--------------|---------------------|
| Unit of Measurement                                       | Baseline     | Benchmark | 2021 Outcome | Benchmark Achieved? |
| Rental revenue in dollars (increase).                     | \$221,400.00 | \$480,000 | \$454,308    | No                  |

## Mobility Voucher Program (2009 – 6)

Approved in 2009, Implemented in 2010

**Objective:** Housing Choice

### Description/Update

MPHA created a Mobility Voucher program to encourage low-income families to move to communities of greater opportunity that are not impacted by concentrated poverty or race and to find safe, decent, and affordable housing in an environment conducive to breaking the cycle of poverty. This initiative responds to HUD’s goal of deconcentrating families who live in poverty and Affirmatively Furthering Fair Housing. The program is structured to increase housing choices for families on the MPHA Section 8 Waiting List and current program participants who live in Areas of Concentrated Poverty and who are willing to move into non-concentrated areas (also referred to as “areas of opportunity”).

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

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.

In 2020 and 2021, with the loss of in-person interactions, the COVID-19 pandemic inhibited MPHA’s ability to expand and recruit for the Mobility Voucher Program. MPHA also partnered with Metro HRA to apply for the HUD Mobility Demonstration Project. Our mobility efforts will evolve considerably under parameters that might not correspond with our existing program. We thus limited the expansion of this activity while we await clarity on the direction of our overall mobility efforts.

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

None.

| <b>HC #5: Increase in Resident Mobility</b>   |                 |                  |                |                            |
|---|-----------------|------------------|----------------|----------------------------|
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity | 0               | 45               | 34             | No                         |

| <b><i>HC #7: Households Assisted by Services that Increase Housing Choice</i></b> |                 |                  |                |                            |
|---|-----------------|------------------|----------------|----------------------------|
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households receiving services aimed to increase housing choice          | 0               | 45               | 34             | No                         |

## Supportive Housing for Youth (2016 – 3)

Approved in 2016, Implemented in 2016

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

### Description/Update

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

This activity began when two local partners, Project for Pride in Living (PPL) and YouthLink, worked together to build a new facility to provide supportive housing for 46 homeless youth (ages 18-23). MPHA committed 25 project-based vouchers for a period of 20 years. The facility, called Downtown View, opened in February 2018. YouthLink and PPL provide educational support, job training, and other supportive services. Case managers also help them navigate the often- difficult system of community-based adult services such as education, employment, and independent housing. Youth pay 30% of their incomes toward their housing. The youth served come to the program via the Hennepin County Coordinated Entry system for sheltering the homeless, with intake administered by Youthlink. MPHA operates under an agreement with PPL and YouthLink that details funding and operational requirements of the program along with the reporting requirements.

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

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

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

Otherwise, no changes.

| <b>CE#4: Increase in Resources Leveraged</b>  |                 |                  |                |                            |
|---|-----------------|------------------|----------------|----------------------------|
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Amount of funds leveraged in dollars (increase).  | 0               | \$11,900,649     | \$11,900,649   | Yes                        |
| <b>HC #1: Additional Units of Housing Made Available</b>  |                 |                  |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase)          | 0               | 77               | 77             | Yes                        |
| <b>HC #5 Households Assisted by Services that Increase Resident Mobility</b>  |                 |                  |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase). | 0               | 77               | 69             | No                         |
| <b>HC #7: Households Assisted by Services that Increase Housing Choice</b>  |                 |                  |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households receiving services aimed to increase housing choice (increase).  | 0               | 77               | 69             | No                         |
| <b>SS #1: Increase in Household Income</b>  |                 |                  |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Average earned income of households affected by this policy (increase).*  | 0               | \$8,487          | \$10,140       | Yes                        |
| * Because of program designs, outcome reflects participants in the Downtown View property only.                               |                 |                  |                |                            |

| <b>SS #2: Increase in Household Savings</b>  |                 |                  |                |                            |
|--|-----------------|------------------|----------------|----------------------------|
| <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Average amount of savings/escrow of households affected by this policy (increase).   | 0               | \$300            | \$0.00         | No                         |
| MPHA does not track assets unless they are over \$5,000.   |                 |                  |                |                            |
| <b>SS #3: Increase in Positive Outcomes in Employment Status*</b>  |                 |                  |                |                            |
| <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| (1) Employed Full-Time -   | 0               | 0                | 2              | Yes                        |
| (2) Employed Part-Time -   | 0               | 8                | 2              | No                         |
| (3) Enrolled in an Educational Program -   | 0               | 8                | 6              | No                         |
| (4) Enrolled in Job Training Program -   | 0               | 8                | 1              | No                         |
| (5) Unemployed -   | 25              | 0                | 14             | No                         |
| (6) Other:   | 0               | 0                | 9              | No                         |
| * Outcome reflects participants in the Downtown View property only.  |                 |                  |                |                            |
| <b>SS #5: Households Assisted by Services that Increase Self Sufficiency</b>   |                 |                  |                |                            |
| <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households receiving services aimed to increase self sufficiency (increase).   | 0               | 77               | 69             | No                         |
| <b>SS #8: Households Transitioned to Self Sufficiency</b>  |                 |                  |                |                            |
| <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households transitioned to self-sufficiency (increase).*   | 0               | 2                | 2              | Yes                        |
| * Self Sufficiency Definition: Youth on an education or employment trajectory and able to afford safe and decent housing upon exit from program. |                 |                  |                |                            |



## Property Owners Incentive Program (2018 – 1)

Approved and implemented, 2018

**Objectives:** Housing Choice

### Description/Update

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

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

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

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

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

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

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

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

None.

| <b>HC #1: Additional Units of Housing Made Available</b>   |                 |                  |                |                            |
|--|-----------------|------------------|----------------|----------------------------|
| <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household, give that type in this box. | 0               | 30               | 38             | Yes                        |
| <b>HC#5: Increase in Resident Mobility</b>   |                 |                  |                |                            |
| <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase)   | 0               | 15               | 21             | No                         |
| <b>MPHA Metric</b>   |                 |                  |                |                            |
| <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Increase in the number of new owners in opportunity areas of the City of Minneapolis   | 0               | 15               | 14             | No                         |

## 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.

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

However, several benchmarks were not achieved in 2021. We attribute this in large part to the economic effects of the COVID-19 pandemic, which had an effect on employment and the number of hours available for households to work. While this effect may persist into 2022, we expect it to be circumstantial and ultimately temporary.

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)

None

| <i>SS #1: Increase in Household Income</i>   |             |           |              |                     |
|--|-------------|-----------|--------------|---------------------|
| Unit of Measurement  | Baseline    | Benchmark | 2021 Outcome | Benchmark Achieved? |
| Average earned income of households affected by this policy in dollars (increase). | \$15,970.00 | \$26,200  | \$26,232     | Yes                 |
| <i>SS #3: Increase in Positive Outcomes in Employment Status</i>                   |             |           |              |                     |
| Unit of Measurement  | Baseline    | Benchmark | 2021 Outcome | Benchmark Achieved? |
| (6) Other - Households with earned income.   | 1,241       | 1,068     | 827          | No                  |
| (Expressed as percent)   | 21%         | 21%       | 16.4%        | No                  |

| <b>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</b>                      |                 |                  |                     |                            |
|---|-----------------|------------------|---------------------|----------------------------|
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>2021 Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households receiving TANF assistance (decrease).  | 546             | 250              | 213                 | Yes                        |
| <b>SS #6: Reducing Per Unit Subsidy Costs for Participating Households*</b>                               |                 |                  |                     |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>2021 Outcome</b> | <b>Benchmark Achieved?</b> |
| Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease). | \$306.00        | \$315.00         | \$493.87            | No                         |

\*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.

| <b>SS #7: Increase in Agency Rental Revenue</b>  |                 |                  |                     |                            |
|--|-----------------|------------------|---------------------|----------------------------|
| <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b>      | <b>Benchmark Achieved?</b> |
| Total Household contributions towards housing assistance (increase).   | \$14,437,400    | \$20,000,000     | \$17,385,794        | No.                        |
| <b>SS #8: Households Transitioned to Self Sufficiency</b>  |                 |                  |                     |                            |
| <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>2021 Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households transitioned to self-sufficiency (increase).*   | 270             | 75               | 77                  | Yes                        |
| * 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

**Objectives:** Cost-Efficiency and Self-Sufficiency

### 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 Operational Policies:

- a) **Flat Subsidy:** MPHA replaced the standard rent calculation method with a simplified, flat subsidy model that incorporates consideration for tenant-paid utilities. We aspire to present the HAP amounts in a way that gives families a clear understanding of how much they will receive, allowing them to make a more informed decision of where they could move.
- b) **Minimum Rent:** As part of the flat subsidy model, MPHA revised the application of minimum rent policies. If a participant's calculated rent amount is less than the minimum rent amount, the participant pays the minimum rent to the owner.
- c) **40 Percent Affordability Cap:** MPHA eliminated the 40 percent affordability cap because under rent reform affordability becomes the responsibility of the family. We will not approve a Request for Tenancy Approval (RFTA) if a participant's rent portion exceeds 50 percent of their monthly adjusted income without supervisory review and approval.
- d) **Revised Asset Income Calculation and Verification Policies:** When the market value of a family's assets is below an established asset threshold, MPHA will exclude income from these assets. When the total asset market value is greater than the established threshold, MPHA will calculate asset income by multiplying the asset's market value by the applicable passbook savings rate. HCV households may self-certify when the market value of the household's total assets is below the established threshold.
- e) **Interim Re-examinations:** MPHA limits HCV families to one discretionary interim re-examination per year. Between recertifications, household members who are employed are not required to report increases in earned income unless it is a new source of income. Unemployed household members must report any subsequent employment. Increases in unearned income for any household member and changes in household composition must still be reported. MPHA does not require notification of increases of income that do not require an interim.
- f) **Working Family Incentive and Streamlined Deductions and Exclusions:** MPHA has eliminated childcare, medical expenses, and dependent deductions from the calculation of adjusted income. To lessen the impact of these changes, MPHA continues to administer the Working Family Incentive and increased the standard elderly/disabled

deduction. MPHA excludes all income for adult, full-time students (other than the head of household, co-head, or spouse).

- g) Changes in Fair Market Rents (FMRs):** MPHA waived the requirement that the agency conduct reasonable rent determinations on all HCV units when there is a five percent year-over-year decrease in the FMR in effect 60 days before the contract anniversary. MPHA conducts reasonable rent determinations at the time of initial lease-up, at the time of owner rent increases, and any other times deemed appropriate by MPHA. MPHA conducts research and market analysis on local rents. In 2022, we intend to explore updating our payment standards to reflect this local market analysis as way of increasing choice for families.
- h) Flat Subsidy Reasonable Accommodation:** As a reasonable accommodation for individuals with qualifying disabilities, MPHA may provide a higher subsidy for accessible units.
- i) Mixed Families:** For families with mixed immigration status, MPHA will deduct 10% from the flat subsidy amount. This 10% deduction is a flat deduction from the subsidy amount, regardless of the number of ineligible family members in the household.
- j) Mitigating rent increases in cases of subsidy conversion:** MPHA may mitigate and/or phase in rent increases for households that formerly lived in Section 9 public housing and moved to MPHA's PBV program through a subsidy conversion program (such as RAD or Section 18), as permitted under the MTW Agreement and program regulations.
- k) Triennial Recertification for All Families:** All households will undergo recertification once every three years. MPHA will perform recertification on a rolling basis, with approximately 1/3 of families recertified each year.

*NOTE: Families in project-based units which receive funding from HUD's Community Planning and Development department through the Supportive Housing Program (SHP) or the Housing Opportunities for Persons with AIDS (HOPWA) program are exempt from MTW minimum rent and all other aspects of HCV rent reform.*

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

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

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

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

abiding by RAD and any other applicable program rules, MPHA intends to mitigate rent by allowing working families to retain more of their growth in earned income. It will have the secondary effect of advancing the cost-effectiveness of the agency's operations, freeing up staff capacity to focus on other priorities that advance the wellbeing of families.

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

MPHA has not yet implemented triennial recertifications beyond fixed-income households.

There are no changes to metrics or data collection.

| <b>CE #1: Agency Cost Savings</b>   |   |  |                |                            |
|---|---|--|----------------|----------------------------|
| <b>Unit of Measurement</b>  | <b>Baseline</b>                                 | <b>Benchmark</b>                             | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Total cost of task in dollars (budget for Section 8 HCV program – expenses)   | \$44,451,999                                    | \$50,578,800                                 | \$62,467,553*  | No                         |
| <b>CE #2: Staff Time Savings</b>  |   |  |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b>                                 | <b>Benchmark</b>                             | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Total time to complete the task in staff hours (decrease).  | 0*  | 0*   | 0*             | 0*                         |
| * In assembling this report, MPHA has looked closely at our prior reporting on this metric and investigated the capacity of our existing internal data sources to measure baselines and outcomes. Our review has determined that we are currently unable to measure this metric in a verifiable, usable way. MPHA will continue exploring whether to reinstate this metric in the future. |   |  |                |                            |
| <b>CE #3: Decrease in Error Rate of Task Execution</b>  |   |  |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b>                                 | <b>Benchmark</b>                             | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Average error rate in calculating adjusted income as a percentage   | 12.6% error rate in adjusted income calculation | 4% error rate in adjusted income calculation | 16%            | No                         |

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

| Unit of Measurement            | Baseline | Benchmark | Outcome  | Benchmark Achieved? |
|--------------------------------|----------|-----------|----------|---------------------|
| Average income from employment | \$17,495 | \$25,611  | \$28,413 | Yes                 |

\*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                            | 1,825 heads of households had earned income                            | 1,199 households have earned income.           | No                  |
|   | 58% of work-able households had a head of household with earned income | 70% of work-able households had a head of household with earned income | 67% of Work-able households had earned income. | No                  |

"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       | 330     | Yes                 |

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

| Unit of Measurement   | Baseline | Benchmark                           | Outcome | Benchmark Achieved? |
|-----------------------|----------|-------------------------------------|---------|---------------------|
| Average per unit cost | \$730    | 2021 - \$761.00<br>(1.3% COLA 2021) | \$865   | No                  |

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

| Unit of Measurement                                    | Baseline | Benchmark | Outcome | Benchmark Achieved? |
|--|----------|-----------|---------|---------------------|
| Number of households transitioned to self-sufficiency* | 14       | 350       | 56      | No*                 |

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



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

Approved in 2019, Implemented in 2020

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

### **Description/Update:**

MPHA has implemented a *Strategic Vision and Capital Plan* featuring multiple strategies for preserving its portfolio, including RAD and Section 18. However, these HUD programs may be infeasible or undesirable in limited cases where properties are nonetheless in need of significant rehabilitation. For these properties, MPHA will replace the form of Declaration of Trust (DOT) that inhibits the agency's ability to leverage needed capital investment, with a Land Use Restriction Agreement (LURA). This action should help MPHA leverage funds locally and move forward with revitalization of these properties. We will do this while maintaining the long-term affordability of this housing for very low-income families via the LURA. In contrast to the DOT, the LURA is a proven framework that is well understood by potential lending/funding partners.

This initiative will contribute to HUD's emphasis on preservation and capital investment and repositioning, while assuring long-term affordability and fully protecting current and future residents. Further, it will establish procedural steps and generate insights that will benefit HUD, MPHA, and other PHAs with a similar desire to preserve their portfolios in the future.

This activity is implemented insofar as MPHA has commenced the process of operationalizing it with HUD. MPHA has submitted a form of LURA to HUD for approval, which would continue to apply applicable public housing requirements to the properties (as modified by any applicable HUD-approved MTW-related changes). There was little progress on operationalizing this activity given other urgent priorities for the agency in 2021. However, MPHA hopes to revive this currently dormant conversation with HUD in 2022 and move forward.

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

*NOTE: HUD staff is considering whether HUD can agree to the replacement of the form of DOT with a LURA along the lines described above under applicable regulations (i.e., without MTW), notably 24 CFR 905.700 ("Other security interests") and if necessary 24 CFR 905.108 (definition of "Declaration of Trust", which such a LURA would meet) and 24 CFR 905.318 (requirement to maintain Declaration of Trust). If HUD determines that HUD can approve a LURA under these existing regulations, MPHA will be able to use such a HUD-approved LURA and this MTW will become unnecessary. If HUD determines the activity is necessary, HUD and MPHA agree to execute a Community-Specific Authorization that will support the activity.*

Units to which we would seek to apply this activity:

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

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

None.

| <b>CE#4: Increase in Resources Leveraged</b>  |          |           |         |                     |
|---|----------|-----------|---------|---------------------|
| Unit of Measurement   | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Amount of funds leveraged in dollars (increase).  | 0        | TBD*      | TBD     | No                  |
| * Activity still in planning stage.   |          |           |         |                     |
| <b>HC#2: Units of Housing Preserved</b>   |          |           |         |                     |
| Unit of Measurement   | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Number of housing units preserved for households at or below 80 percent of AMI that would otherwise not be available (increase). If units reach a specific type of household, give that type in this box. | 0        | TBD*      | TBD     | No                  |
| * Activity still in planning stage.   |          |           |         |                     |

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

Approved in 2015, Implemented in 2017

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

### Description/Update

In March 2019, MPHA opened the Minnehaha Townhomes, constructed in partnership with multiple public entities (and one philanthropic contribution). They are public housing, constructed under MPHA's Faircloth Limit, using public funds.

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. [With services through Hennepin County](#), the families who live at the Minnehaha Townhomes receive intensive, self-sufficiency-focused services from a partner in the initial months after move-in.

We believe self-sufficiency goals for families at the Minnehaha Townhomes were affected by the economic effects of the COVID-19 pandemic. Although these effects will persist into 2022, we are optimistic that 2021 was a unusual year and employment outcomes will improve going forward.

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

None.

| <b>HC #1: Additional Units of Housing Made Available</b>  |                 |                  |                |                            |
|---|-----------------|------------------|----------------|----------------------------|
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). | 0               | 16               | 16             | Yes                        |
| <b>HC #5: Increase in Resident Mobility</b>   |                 |                  |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity.    | 0               | 16               | 16             | Yes                        |

| <b>HC #7: Households Assisted by Services that Increase Housing Choice</b>  |                 |                  |                |                            |
|---|-----------------|------------------|----------------|----------------------------|
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households receiving services aimed to increase housing choice (increase).  | 0               | 16               | 16             | Yes                        |
| <b>SS #3: Increase in Positive Outcomes in Employment Status</b>  |                 |                  |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| (1) Employed Full-Time  | 0               | 4                | 1              | No                         |
| (2) Employed Part-Time  | 0               | 4                | 3              | No                         |
| (3) Enrolled in an Educational Program  | 0               | 0                | 0              | Yes                        |
| (4) Enrolled in job Training Program  | 0               | 0                | 0              | Yes                        |
| (5) Unemployed  | 16              | 8                | 12             | No                         |
| (6) Other   | 0               | 0                | 0              | Yes                        |
| <b>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</b>  |                 |                  |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households receiving TANF assistance (decrease).  | 16              | 8                | 10             | No                         |
| <b>SS #5: Households Assisted by Services that Increase Self Sufficiency</b>  |                 |                  |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households receiving services aimed to increase self-sufficiency (increase).  | 0               | 6                | 8              | Yes                        |
| Note: Clients receive services in the initial months after move-in. We anticipate there will typically be a mix of residents receiving these initial services, and those who no longer need them. |                 |                  |                |                            |
| <b>SS #8: Households Transitioned to Self-Sufficiency</b>   |                 |                  |                |                            |
| <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| Number of households transitioned to self-sufficiency (increase). (Def: Moving to flat-rate rent)   | 0               | 2                | 0              | No                         |

## **B. ACTIVITIES NOT YET IMPLEMENTED**

None.

## **C. ACTIVITIES ON HOLD**

### **Alternate Income Verifications (2013 – 2)**

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

#### **Description**

The purpose of this activity was to enable low-income persons in need of assisted living to receive housing with services that would not be available to them with the current regulatory requirements for verification of income in public housing. MPHA proposed that if an applicant was eligible and has income information that clearly demonstrates eligibility for public housing, MPHA should be able to utilize this information to sign a lease and move the tenant into housing. However, MPHA found in practice that it did not need to implement this initiative to successfully house persons in the agency's new acute assisted living/memory care programs. The activity may, however, be relevant to future efforts.

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

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

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

None.

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

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

#### **Description**

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

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

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

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

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

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

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

None.

## D. CLOSED OUT ACTIVITIES

### *Activities closed in 2020*

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

Approved in 2010, Implemented in 2019, Closed in 2020

#### **Explanation for Closure**

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)*. Both activities are fundamentally the same; one pertained to a subset of properties of the other, which was redundant and potentially confusing. The core of both activities was to operationalize subsidy conversion programs for units in the Metropolitan Housing Opportunities Program (MHOP), which are owned and managed by third parties and created under the *Hollman v. Cisneros* Settlement Agreement. MPHA is continuing the initiative envisioned under 2010 – 3, now unified under the auspices of 2018 – 5.

#### **Outcomes and Summary Table(s)**

Although implemented in 2019 with good-faith intent to move forward, the activity was not fulfilled prior to closure and consolidation with 2018 – 5 (which also remains in-progress). Fully implementing the activity required administrative capacity MPHA has not been able to provide to-date, and depends upon external factors related to the properties and their owners. This activity had only a single metric, CE#2. The table of final outcomes below applies to all years of the activity.

| <b>CE#2: Staff Time Savings</b> |  |                 |                  |                |                            |
|---------------------------------|--|-----------------|------------------|----------------|----------------------------|
| <b>Year</b>                     | <b>Unit of Measurement</b>                                 | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| 2019 - 2020                     | Total time to complete the task in staff hours (decrease). | 96 hours/week   | 30 hours/week    | 0              | No                         |

## Reintegration of Offenders (2016 – 2)

Approved in 2016, Implemented in 2017, Closed in 2020

### Explanation for Closure

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

*Background:* The program has two components: *Great River Landing* and *Better Futures*. Great River Landing is a sponsor-based, property-based voucher partnership providing apartments with services to ex-offenders who commit to a program of job-training and employment. The Great River Landing facility, developed and operated by Beacon Interfaith Housing Collaborative, opened near downtown Minneapolis in 2019; prior to that point, participants received services and a tenant-based rental subsidy. In addition to stable housing and access to employment resources, the partner organizations provide social and support services that help the men reunify with their families and establish civic pride and ties to their communities once they enter the program. Starting in 2020, through a second partner, Better Futures Minnesota, MPHA provides up to 30 tenant-based subsidies to ex-offenders with a similar suite of services. Nine people were a part of this program in 2020.

### Outcomes and Summary Tables

As stated above, the program is ongoing and closing out because we are merging it with a similar MTW activity. Thanks to credible, experienced, and engaged partners, this activity got off-and-running very quickly, extending its reach to the 40 participants who were initially envisioned. Though short of benchmarks, employment and training outcomes have been substantial—although 2020 was a difficult year for these men, as it was for so many in the lower-skilled workforce. Income outcomes surpassed benchmarks by 2019, but understandably fell back again in the midst of the COVID-19 recession. Full self-sufficiency, as defined by this activity, has also been out-of-reach, suggesting MPHA and the partners might wish to revisit whether the definition is overly rigorous. Over its five years of development, this activity has provided stable homes and a fresh start for dozens of men who otherwise might have had a hard landing upon exiting incarceration.

| <b>HC #1: Additional Units of Housing Made Available</b> |   |                 |                  |                |                            |
|--|---|-----------------|------------------|----------------|----------------------------|
| <b>Year</b>  | <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| 2017   | Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). | 0               | 40               | 40             | Yes                        |



|      |  |   |    |    |     |
|------|--|---|----|----|-----|
| 2018 | Housing serves ex-offenders emerging from incarceration. | 0 | 40 | 40 | Yes |
| 2019 |  | 0 | 40 | 40 | Yes |
| 2020 |  | 0 | 40 | 70 | Yes |

| <b>HC#5: Increase in Resident Mobility</b> |   |          |           |         |                     |
|--|---|----------|-----------|---------|---------------------|
| Year                                       | Unit of Measurement   | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| 2017                                       | Number of Households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase). | 0        | 40        | 0       | No                  |
| 2018                                       |   | 0        | 40        | 0       | No                  |
| 2019                                       |   | 0        | 40        | 32      | No                  |
| 2020                                       |   | 0        | 40        | 49      | Yes                 |

| <b>HC#7: Households Assisted by Services that Increase Housing Choice</b> |  |          |           |         |                     |
|---|--|----------|-----------|---------|---------------------|
| Year  | Unit of Measurement  | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| 2017  | Number of households receiving services aimed to increase housing choice (increase). | 0        | 40        | 40      | Yes                 |
| 2018  |  | 0        | 40        | 40      | Yes                 |
| 2019  |  | 0        | 40        | 32      | No                  |
| 2020  |  | 0        | 40        | 49      | Yes                 |

| <b>SS#1: Increase in Household Income</b> |   |          |            |          |                     |
|---|---|----------|------------|----------|---------------------|
| Year                                      | Unit of Measurement   | Baseline | Benchmark  | Outcome  | Benchmark Achieved? |
| 2017                                      | Average annual income for families (over a five-year period) (increase) | 0        | \$8,880.00 | 0        | No                  |
| 2018                                      |   | 0        | \$8,880.00 | \$4,000  | No                  |
| 2019                                      |   | 0        | \$8,880.00 | \$19,969 | Yes                 |
| 2020*                                     |   | 0        | \$8,880.00 | \$12,839 | Yes                 |

\* Better Futures partner unable to provide data for 2020; outcome reflects the 40 Great River Landing participants only.

| <b>SS #3: Increase in Positive Outcomes in Employment Status</b> |  |                 |                  |                |                             |
|--|--|-----------------|------------------|----------------|-----------------------------|
| <b>Year</b>  | <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b>  |
| 2017   | Number of families with stable employment histories (increase)<br>(1) Employed Full-Time -<br>(2) Employed Part-Time -<br>(3) Enrolled in an Educational Program -<br>(4) Enrolled in Job Training Program -<br>(5) Unemployed -<br>(6) Other: | 0               | 25               | 5              | No<br>(Partial year result) |
|  |  |                 | 59               | 35             |                             |
|  |  |                 | 90               | 40             |                             |
|  |  |                 | 10               | 0              |                             |
|  |  |                 | 0                | 0              |                             |
|  |  |                 | 0                | 0              |                             |
| 2018   |  | 0               | 25               | 10             | No                          |
|  |  |                 | 59               | 53             | No                          |
|  |  |                 | 90               | 2              | No                          |
|  |  |                 | 10               | 63             | Yes                         |
|  |  |                 | 0                | 0              | Yes                         |
|  |  |                 | 0                | 0              | Yes                         |
| 2019   |  | 0               | 14               | 4              | No                          |
|  |  |                 | 40               | 14             | No                          |
|  |  |                 | 0                | 0              | Yes                         |
|  |  |                 | 0                | 0              | Yes                         |
|  | 0  |                 | 9                | No             |                             |
|  | 0  |                 | 1                | No             |                             |
| 2020*  | 0  | 14              | 5                | No             |                             |
|  |  | 26              | 19               | No             |                             |
|  |  | 0               | 0                | Yes            |                             |
|  |  | 0               | 0                | Yes            |                             |
|  |  | 0               | 9                | No             |                             |
|  |  | 0               | 2                | No             |                             |

*\* Better Futures partner unable to provide data for 2020; outcome reflects the 40 Great River Landing participants only.*

| <b>SS #5: Households Assisted by Services that Increase Self Sufficiency</b> |  |                 |                  |                |                            |
|--|--|-----------------|------------------|----------------|----------------------------|
| <b>Year</b>  | <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| 2017   | Number of households receiving services aimed to increase self-sufficiency (increase). | 0               | 40               | 40             | Yes                        |
| 2018   |  | 0               | 40               | 40             | Yes                        |
| 2019   |  | 0               | 40               | 32             | No                         |
| 2020   |  | 0               | 40               | 49             | Yes                        |

| <b>SS #8: Households Transitioned to Self Sufficiency</b> |  |                 |                  |                |                            |
|---|--|-----------------|------------------|----------------|----------------------------|
| <b>Year</b>   | <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| 2017  | Number of households transitioned to self sufficiency (increase).* | 0               | 25               | 0              | No<br>(Partial Year)       |
| 2018  |  | 0               | 25               | 10             | No                         |
| 2019  |  | 0               | 10               | 0              | No                         |
| 2020  |  | 0               | 15               | 0              | No                         |

*\*Self Sufficiency: Maintained lease in own name for 90 days, engaged in addressing health and wellness needs at home, employed at least 90 days for 20 hours per week, no new offenses and no return to custody for at least 90 days Increased parenting skills, if applicable); met within 12 months of enrollment.*

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

Approved in 2016, Implemented in 2016, Closed in 2020

### Reason for Closure

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

*Background:* Under this activity, MPHA proposed to place up to 50 project-based vouchers (PBVs) with non-profit housing providers, focused on providing housing to formerly homeless families. Families would receive ongoing services from the county or other partners. MPHA issued an initial request-for-proposals (RFP) in August 2016 and the response was muted.

MPHA subsequently awarded a housing assistance payments (HAP) contract to one housing provider, Lutheran Social Services, for 12 PBVs. These units were converted to PBV in the course of natural attrition of units starting in 2018; they are now a part of our regular PBV portfolio. MPHA received no subsequent applications. We will continue to explore the potential for PBVs to serve this hard-to-house population through our broader Local PBV Program.

| <b>HC #1: Additional Units of Housing Made Available</b> |   |                 |                  |                |                           |
|--|---|-----------------|------------------|----------------|---------------------------|
| <b>Year</b>  | <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved</b> |
| <b>2016</b>  | Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). Families coming out of homeless shelters. | 0               | 50               | 12             | No                        |
| <b>2017</b>  |   | 0               | 12               | 12             | Yes                       |
| <b>2018</b>  |   | 0               | 12               | 12             | Yes                       |
| <b>2019</b>  |   | 0               | 12               | 12             | Yes                       |
| <b>2020</b>  |   | <b>0</b>        | <b>12</b>        | <b>12</b>      | <b>Yes</b>                |
| <b>HC #5: Increase in Resident Mobility</b>              |   |                 |                  |                |                           |
| <b>Year</b>  | <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved</b> |
| <b>2016</b>  | Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity.  | 0               | 50               | 0              | No                        |
| <b>2017</b>  |   | 0               | 12               | 0              | No                        |
| <b>2018</b>  |   | 0               | 12               | 8              | No                        |
| <b>2019</b>  |   | 0               | 12               | 15             | Yes                       |
| <b>2020</b>  |   | 0               | 12               | 12             | Yes                       |

| <b>HC #7: Households Assisted by Services that Increase Housing Choice</b> |  |                 |                  |  |                            |    |
|--|--|-----------------|------------------|--|----------------------------|----|
| <b>Year</b>  | <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b>                           | <b>Benchmark Achieved</b>  |    |
| <b>2016</b>  | Number of households receiving services aimed to increase housing choice (increase).   | 0               | 50               | 0  | No                         |    |
| <b>2017</b>  |  | 0               | 12               | 0  | No                         |    |
| <b>2018</b>  |  | 0               | 12               | 8  | No                         |    |
| <b>2019</b>  |  | 0               | 12               | 15                                       | No                         |    |
| <b>2020</b>  |  | 0               | 12               | 12                                       | Yes                        |    |
| <b>SS #1: Increase in Household Income</b>                                 |  |                 |                  |  |                            |    |
| <b>Year</b>  | <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b>                           | <b>Benchmark Achieved</b>  |    |
| <b>2016</b>  | Average annual income for households affected by this policy (increase).   | TBD             | TBD              | TBD                                      | TBD                        |    |
| <b>2017</b>  |  | 0               | 0                | 0  | N/A                        |    |
| <b>2018</b>  |  | 0               | \$15,000         | \$15,448                                 | Yes                        |    |
| <b>2019</b>  |  | \$15,448        | \$15,880         | \$9,709                                  | No                         |    |
| <b>2020</b>  |  | \$9,709         | \$9864.34        | \$7,824.44                               | No                         |    |
| <b>SS #3: Increase in Positive Outcomes in Employment Status</b>           |  |                 |                  |  |                            |    |
| <b>Year</b>  | <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b>                           | <b>Benchmark Achieved?</b> |    |
| <b>2016</b>  | (1) Employed Full- Time<br>(2) Employed Part- Time<br>(3) Enrolled in Edu. Program<br>(4) Enrolled in Job Training<br>(5) Unemployed<br>(6) Other: (SSI, etc.) | TBD             | TBD              | TBD                                      | TBD                        |    |
| <b>2017</b>  |  | 0               | 0                | 0  | N/A                        |    |
| <b>2018</b>  |  | 2               | 0                | 3  | 2                          | No |
|  |  | 0               |                  |  |                            |    |
|  |  | 2               |                  |  |                            |    |
|  |  | 2               |                  |  |                            |    |
|  |  | 0               |                  |  |                            |    |
| <b>2019</b>  |  | 0               | 0                | 0  | 1                          | No |
|  |  | 0               |                  |  |                            |    |
|  |  | 0               |                  |  |                            |    |
|  | 0  |                 |                  |  |                            |    |
|  | 0  |                 |                  |  |                            |    |
| <b>2020</b>  | 0  | 0               | 0                | 13<br>2 (Note: SSI)                      | No                         |    |
|  | 0  |                 |                  | 1,2,0,0,9,3<br>(Note: 2 SSI, 1 Non-wage) |                            |    |

| <b>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</b> |  |                 |                  |                     |                            |
|--|--|-----------------|------------------|---------------------|----------------------------|
| <b>Year</b>  | <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b>      | <b>Benchmark Achieved?</b> |
| <b>2016</b>  | Number of households receiving TANF assistance (decrease).   | TBD             | TBD              | TBD                 | TBD                        |
| <b>2017</b>  |  | 0               | 0                | 0                   | N/A                        |
| <b>2018</b>  |  | 12              | 6                | 7                   | No                         |
| <b>2019</b>  |  | 12              | 6                | 13                  | No*                        |
| <b>2020</b>  |  | 12              | 6                | 12                  | No                         |
| <b>SS #5: Households Assisted by Services that Increase Self Sufficiency</b>         |  |                 |                  |                     |                            |
| <b>Year</b>  | <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b>      | <b>Benchmark Achieved?</b> |
| <b>2016</b>  | Number of households receiving services aimed to increase self-sufficiency (increase).                                     | 0               | 50               | 0                   | No                         |
| <b>2017</b>  |  | 0               | 12               | 0                   | No                         |
| <b>2018</b>  |  | 0               | 12               | 8                   | No                         |
| <b>2019</b>  |  | 0               | 12               | 15                  | Yes                        |
| <b>2020</b>  |  | 0               | 12               | 12                  | Yes                        |
| <b>SS #6: Reducing Per Unit Subsidy Costs for Participating Households</b>           |  |                 |                  |                     |                            |
| <b>Year</b>  | <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b>      | <b>Benchmark Achieved?</b> |
| <b>2016</b>  | Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).                  | TBD             | TBD              | TBD                 | TBD                        |
| <b>2017</b>  |  | 0               | 0                | 0                   | N/A                        |
| <b>2018</b>  |  | 0               | 0                | \$678               | Yes                        |
| <b>2019</b>  |  | \$678.00        | \$697.00         | \$646.00            | Yes                        |
| <b>2020</b>  |  | \$646           | \$658            | \$656               | Yes                        |
| <b>SS #7: Increase in Agency Rental Revenue</b>                                      |  |                 |                  |                     |                            |
| <b>Year</b>  | <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>2019 Outcome</b> | <b>Benchmark Achieved?</b> |
| <b>2016-2020</b>   | PHA rental revenue in dollars (increase)   | 0               | 0                | 0                   | No*                        |
| * Metric does not apply to this PBV activity.  |  |                 |                  |                     |                            |
| <b>SS #8: Households Transitioned to Self Sufficiency</b>                            |  |                 |                  |                     |                            |
| <b>Year</b>  | <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b>      | <b>Benchmark Achieved?</b> |
| <b>2016</b>  | Number of households transitioned to self-sufficiency (increase).<br>Def: Graduation from program; no longer need subsidy. | TBD             | TBD              | TBD                 | TBD                        |
| <b>2017</b>  |  | 0               | 0                | 0                   | N/A                        |
| <b>2018</b>  |  | 0               | 0                | 0                   | N/A                        |
| <b>2019</b>  |  | 0               | 0                | 0                   | No                         |
| <b>2020</b>  |  | 0               | 0                | 3                   | Yes                        |

## Soft Subsidy Initiative (2011 – 2)

Approved in 2011, Implemented in 2013, Closed in 2020

### Explanation for Closure

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

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.

### Outcomes and Summary Table(s)

After some successful years, the initial partner experienced funding challenges and wound down the program during 2017. We continued unsuccessfully to seek another partner. While it was active, the partnership was generally successful in meeting earnings and employment goals. It was difficult for families to achieve the goal of full self-sufficiency, although that five-year goal was cut short as the program began to wind down in its fourth year.

| <b>SS #1: Increase in Household Income</b> |  |                 |                  |                       |                            |
|--|--|-----------------|------------------|-----------------------|----------------------------|
| <b>Year</b>                                | <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b>        | <b>Benchmark Achieved?</b> |
| <b>2013</b>                                | Average earned income of households affected by this policy in dollars (increase). | 0               | \$13,195         | <i>(Not reported)</i> | Yes                        |
| <b>2014</b>                                |  | 0               | \$13,195         | \$16,146              | Yes                        |
| <b>2015</b>                                |  | 0               | \$13,195         | \$14,131              | Yes                        |
| <b>2016</b>                                |  | 0               | \$13,195         | \$21,059              | Yes                        |
| <b>2017</b>                                |  | 0               | \$13,195         | \$29,308              | Yes                        |
| <b>2018-2020</b>                           |  | 0               | \$0              | \$0                   | No                         |

| <b>SS #3: Increase in Positive Outcomes in Employment Status</b>                     |   |                 |                  |                 |                            |
|--|---|-----------------|------------------|-----------------|----------------------------|
| <b>Year</b>  | <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b>  | <b>Benchmark Achieved?</b> |
| <b>2013</b>  | (1) Employed Full- Time<br>(2) Employed Part- Time<br>(3) Enrolled in an Educational Program<br>(4) Enrolled in Job Training Program<br>(5) Unemployed<br>(6) Other: % of HH with Earned Income | 0               | 6                | 7,10,2,1,2,89%  | YYNYY                      |
| <b>2014</b>  |   | 0               | 6                | 6,15,1,1,6,95%  | YYNYY                      |
| <b>2015</b>  |   | 0               | 2                | 11,7,1,0,3,85%  | YYNYY                      |
| <b>2016</b>  |   | 0               | 5                | 12,8,6,0,0,100% | YYNYY                      |
| <b>2017</b>  |   | 0               | 0                | %               | YYNYY                      |
| <b>2018-2020</b>   |   | 0               | 75%              | 7,6,2,0,0,100%  | YYNYY                      |
|  |   | 0               | 0                | 0               | No                         |
|  |   | 0               | 0                | 0               |                            |
|  |   | 0               | 0                | 0               |                            |
|  |   | 0               | 0                | 0               |                            |
|  |   | 0               | 0                | 0               |                            |
|  |   | 0               | 0                | 0               |                            |
| <b>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</b> |   |                 |                  |                 |                            |
| <b>Year</b>  | <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b>  | <b>Benchmark Achieved?</b> |
| <b>2013</b>  | Number of households receiving TANF cash assistance (decrease).   | 15              | 5                | 9               | No                         |
| <b>2014</b>  |   | 15              | 5                | 3               | Yes                        |
| <b>2015</b>  |   | 15              | 5                | 6               | No                         |
| <b>2016</b>  |   | 15              | 5                | 1               | Yes                        |
| <b>2017</b>  |   | 15              | 5                | 2               | Yes                        |
| <b>2018-2020</b>   |   | 0               | 0                | 0               | No                         |
| <b>SS #5: Households Assisted by Services that Increase Self Sufficiency</b>         |   |                 |                  |                 |                            |
| <b>Year</b>  | <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b>  | <b>Benchmark Achieved?</b> |
| <b>2013</b>  | Number of households receiving services aimed to increase self-sufficiency (increase)   | 0               | 20               | 20              | Yes                        |
| <b>2014</b>  |   | 0               | 20               | 20              | Yes                        |
| <b>2015</b>  |   | 0               | 20               | 20              | Yes                        |
| <b>2016</b>  |   | 0               | 20               | 20              | Yes                        |
| <b>2017</b>  |   | 0               | 20               | 13              | No                         |
| <b>2018-2020</b>   |   | 0               | 0                | 0               | Yes                        |



| <b>SS #6: Reducing Per Unit Subsidy Costs for Participating Households*</b>  |  |                 |                  |                |                            |
|--|--|-----------------|------------------|----------------|----------------------------|
| <b>Year</b>  | <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| <b>2013</b>  | Average amount of Section 8 subsidy per household affected by this policy in dollars (decrease). | 0               | \$0              | 0              | Yes                        |
| <b>2014</b>  |  | 0               | \$0              | 0              | Yes                        |
| <b>2015</b>  |  | 0               | \$0              | 0              | Yes                        |
| <b>2016</b>  |  | 0               | \$0              | 0              | Yes                        |
| <b>2017</b>  |  | 0               | \$0              | 0              | Yes                        |
| <b>2018-2020</b>   |  | 0               | \$0              | \$0            | No                         |
| <i>*This Section 8 metric was not applicable to this LNT, fixed-subsidy activity.</i>  |  |                 |                  |                |                            |
| <b>SS #8: Households Transitioned to Self Sufficiency</b>  |  |                 |                  |                |                            |
| <b>Year</b>  | <b>Unit of Measurement</b>   | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b> | <b>Benchmark Achieved?</b> |
| <b>2013</b>  | Number of households transitioned to self-sufficiency (increase).                                | 0               | 2                | 0              | No                         |
| <b>2014</b>  |  | 0               | 2                | 6              | Yes                        |
| <b>2015</b>  |  | 0               | 2                | 0              | No                         |
| <b>2016</b>  |  | 0               | 2                | 0              | No                         |
| <b>2017</b>  |  | 0               | 2                | 0              | No                         |
| <b>2018-2020</b>   |  | 0               | 0                | 0              | No                         |
| <i>* Self Sufficiency is defined as: the participant leaves government financial assistance. The initial partnership under this activity was a program aiming for self-sufficiency after five years.</i> |  |                 |                  |                |                            |

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

Approved in 2011, Implemented in 2012, Closed in 2020

### Explanation for Closure

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

*Background:* Under this activity, MPHA project-based vouchers for the purpose of creating additional affordable housing for low-income families in the City of Minneapolis. MPHA's objective was to expand the locations of PBV programs, and to strategically deploy voucher awards to leverage the creation of additional non-PBV affordable housing (affordable to families with 80 percent of Area Media Income or below).

### Outcomes and Summary Tables

MPHA first awarded vouchers under this initiative in early 2012, by 2015 ultimately awarding 41 vouchers that facilitated an additional 226 units (a total of 267 affordable housing units) across four developments. This widely exceeded the goal of 120 units, and the activity can be considered a success.

Note that while the program was implemented in 2012, the MTW Standard Metrics seen below began with the 2013 MTW Annual Report.

| <b>CE #4: Increase in Resources Leveraged</b>   |  |                 |                  |                   |                            |
|---|--|-----------------|------------------|-------------------|----------------------------|
| <b>Year</b>   | <b>Unit of Measurement</b>                       | <b>Baseline</b> | <b>Benchmark</b> | <b>Outcome</b>    | <b>Benchmark Achieved?</b> |
| <b>2013-2014</b>  | Amount of funds leveraged in dollars (increase). | \$11.9 million* | \$35.6 million** | \$7.3 million     | No                         |
| <b>2015-2020</b>  |  | \$11.9 million* | \$35.6 million** | \$88.1 million*** | Yes                        |
| * Based upon initial anticipated cost of \$330,000 per unit, and 36 vouchers awarded.<br>** Target was a 3 to 1 voucher/non-voucher unit ratio<br>*** Actual result was a total of 267 units and ratio of approximately 8 to 1. |  |                 |                  |                   |                            |

| <b>HC #1: Additional Units of Housing Made Available</b>                   |   |                 |   |  |  |
|--|---|-----------------|---|--|--|
| <b>Year</b>  | <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Benchmark</b>                          | <b>Outcome</b>                                       | <b>Benchmark Achieved?</b>   |
| <b>2013-2014</b>   | Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). Units reach low-income families, including some VASH. | 0               | 40 PBV<br>120 additional units            | 11 PBV<br>11 VASH<br>152 additional units            | No<br>(Although “additional units” goal was met, MTW Reports state “no” on the basis of PBV count) |
| <b>2015-2020</b>   |   | 0               | 40 PBV<br>120 additional affordable units | 30 PBV<br>11 VASH<br>226 additional affordable units | Yes  |
| <b>HC #7: Households Assisted by Services that Increase Housing Choice</b> |   |                 |   |  |  |
| <b>Year</b>  | <b>Unit of Measurement</b>  | <b>Baseline</b> | <b>Yearly Benchmark</b>                   | <b>Outcome</b>                                       | <b>Benchmark Achieved?</b>   |
| <b>2013-2014</b>   | Number of households receiving services aimed to increase housing choice (increase).  | 0               | 144                                       | 147  | Yes  |
| <b>2015-2020</b>   |   | 0               | 144                                       | 267  | Yes  |

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

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

Approved in 2001, Implemented in 2011, Closed in 2017

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

The absence-from-unit initiative continues the rent obligation for tenants whose income is temporarily reduced during an absence from the unit for more than 30 days. Under this initiative, tenants who temporarily lose income were required to pay rent as if the income continued. Residents could request a hardship to pay minimum rent during their absence, along with an agreement to repay the difference over the next 12 months.

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

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

Approved and Implemented in 2012, Closed out in 2014

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

This activity gave MPHA the authority to change the HCV Program's annual Housing Quality Standards (HQS) Inspection requirement to a biennial HQS Inspection requirement for units in multifamily complexes of six (6) units or more and where 80% of those units passed HQS Inspections in the prior two years. However, two years later Section 220 of the 2014 Congressional Appropriations Act allowed "public housing authorities to inspect assisted dwelling units during the term of a HAP Contract by inspecting such units not less than biennially instead of annually." MPHA's current MTW initiative under this category is fully compliant with all the allowances under Section 220 of the 2014 Congressional Appropriations Act and the agency closed it when we judged that MTW authority was no longer required.

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

Approved 2009, Implemented in 2009, Closed in 2017

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

HUD does not require this to be reported in the same format as other initiatives. The MTW Sources and Uses provides the detail of the Combined Fund. This Activity was moved to the "Closed Out" Section of the 2017 MTW Plan per HUD instruction.

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

Approved and implemented in 2009, Closed out in 2012

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

MPHA discontinued this initiative in 2012 due to funding shortfalls, and closed out the program. With the phase-out of MPHA's Homeownership Made Easy (HOME) program in June 2012, two families received homeowner education and mortgage readiness counseling in 2012. Of these, one family closed on their home in Northeast Minneapolis in June 2012. No families were assisted through the Moving Home program. No families were referred by Twin Cities Habitat for Humanity or Neighborhood Housing Services of Minneapolis for the Section 8 Mortgage Foreclosure Prevention Program.

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

Approved and Implemented in 2012, Closed out in 2016

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

In the Housing Choice Voucher Program, HUD regulations allow families whose head of household is disabled a full income disregard for one year and a 50% disregard for the second year. As families move in and out of employment, the disregard is postponed; the monitoring is time-consuming and creates administrative hardships that are prone to errors. MPHA created a two-year full income disregard for eligible families and eliminated the administrative hardship and time-consuming monitoring. MPHA eliminated the Earned Income Disregard in implementing its Rent Reform program, but permitted current participants to complete their two-year eligibility under his initiative.

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

Approved in 2010, Implemented in 2011, Closed in 2017

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

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

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

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

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

MPHA partnered with Hennepin County to create a “Transitional Housing with Supportive Services” demonstration program to allow MPHA to utilize up to eight public housing units for low-income individuals who are in need of transitional housing for brief periods from a few days to a few months. These individuals are low-income vulnerable persons who will be exiting the hospital, have no support system and need supportive services to avoid re-hospitalization and who without such services would remain in the hospital costing thousands of dollars which could be significantly mitigated under this initiative. This activity did not live up to its promise. The county medical center ultimately could not secure adequate funding to support the concept. Even though it was more costly to address the repeated health needs of homeless people who visited the hospital, Minnesota Medical Assistance (Medicaid) paid for medical costs and could not reimburse for housing. Since implementation in 2014, only two units were occupied by seven individuals, which fell considerably short of our expectations. The key lesson learned is to continue to work on ways that Medicaid might reimburse for housing related costs.

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

Approved and implemented in 2009, Closed out in 2012

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

MPHA discontinued this program in 2012 due to federal funding cutbacks in its housing programs. This program was developed to support MPHA’s homeownership initiatives which were also discontinued in 2012.

## V. Sources and Uses of MTW Funds

### ANNUAL MTW REPORT

**A. ACTUAL SOURCES AND USES OF MTW FUNDS**

**i. Actual Sources of MTW Funds in the Plan Year**

MPHA has submitted unaudited and audited information in the prescribed Financial Data Schedule (FDS) format through the Financial Assessment System – PHA (FASPHA), or its successor system.

**ii. Actual Uses of MTW Funds in the Plan Year**

MPHA has submitted unaudited and audited information in the prescribed FDS format through the FASPHA, or its successor system.

**iii. Describe Actual Use of MTW Single Fund Flexibility**

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

#### ACTUAL USE OF MTW SINGLE FUND FLEXIBILITY

MPHA did not have any activities that utilized only MTW single fund flexibility. MPHA used approximately \$6.5 million of HCV HAP Subsidy under the Single Fund Flexibility authority. MPHA used approximately \$3.6 million in HCV HAP Subsidy to supplement funding for public housing capital improvements. Funds were used for roof and sky light replacements, elevator modernization, physical improvements to enhance property security, switch gear replacements, facade repairs, and associated project management for this work. Approximately \$730,000 was used for HCV Administration to supplement for HUD administrative fee pro-ration at 84% of the formula amount. Approximately \$2.1 million was used for MPHA's instrumentality, Community Housing Resources (CHR). The funds for CHR were used for predevelopment costs for future private financing projects and capital improvements on these scattered site properties. The improvements were mainly kitchen and bath renovations, flooring and other finishes, electrical and plumbing updates, and other site improvement work. Approximately \$30,000 was used for the Family Unification Program (FUP) and Elliotts LP RAD vouchers for housing assistance; and \$83,000 went to MTW Local Initiatives (lease to own escrow, reporting, and administration related to MPHA's MTW program).

**B. LOCAL ASSET MANAGEMENT PLAN**

**i. Did the MTW PHA allocate costs within statute in the Plan Year?**

No

**ii. Did the MTW PHA implement a local asset management plan (LAMP) in the Plan Year?**

Yes

**iii. Did the MTW PHA provide a LAMP in the appendix?**

Yes

**iv. If the MTW PHA has provided a LAMP in the appendix, please provide a brief update on implementation of the LAMP. Please provide any actual changes (which must be detailed in an approved Annual MTW Plan/Plan amendment) or state that the MTW PHA did not make any changes in the Plan Year.**

HUD approved MPHA's revised LAMP in the 2018 MTW Annual Plan. MPHA has implemented the LAMP, as revised, and did not make any changes from the LAMP described in the appendix of MPHA's MTW Plan.

## **VI. Administrative**

### **A. Reviews, Audits, and Inspections**

MPHA's 2020 Single Audit conducted in 2021 identified two findings. A Public Housing Program finding related to inaccurate data entry in MPHA's software system which led to inconsistencies between the HUD Form 50058 and the Status 214 Citizenship form. None of these inconsistencies impacted a participant's eligibility to participate in the program. A finding was noted for an audit adjustment related to the sale of former public housing units to MPHA's instrumentality. MPHA has implemented or plans to implement a corrective action plan to resolve all findings.

### **B. Evaluation Results**

MPHA has no results of MTW PHA-directed evaluations to report for the year.

### **C. MTW Statutory Requirement Certification**

Please see certification on following page.

### **D. MTW Energy Performance Contract (EPC) Flexibility Data**

This section is not applicable to MPHA. MPHA's EPC is standard, with no additional MTW flexibility.



# APPENDIX A: MTW STATUTORY REQUIREMENT CERTIFICATION

Acting on behalf of the Public Housing Agency (PHA) listed below, as its authorized PHA official, I approve the submission of the Annual Moving to Work Report for the PHA fiscal year ending **December 31, 2021**, hereinafter referred to as "the Report", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Report and implementation thereof:

The Agency has met the three statutory requirements of: 1) assuring that at least 75 percent of the families assisted by the Agency are very low-income; 2) continuing to assist substantially the same total number of households as would have been assisted had the agency not participated in the MTW demonstration, and 3) maintaining a comparable mix of households (by family size) served as would have been served had the agency not participated in the MTW demonstration.

Minneapolis Public Housing Authority  
PHA Name

MN002  
PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Abdi Warsame  
Name of Authorized Official

Executive Director/CEO  
Title

  
\_\_\_\_\_  
Signature

March 31, 2022  
\_\_\_\_\_  
Date

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

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

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

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

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

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

### **LOCAL DETERMINATION ON FEES**

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

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

As permitted under the First Amendment to Moving to Work Agreement, MPHA may apply local determinations with respect to front line, prorated, and shared resources, fee costs, and other aspects of

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

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

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

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

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

## APPENDIX G: Glossary of Acronyms and Housing Terms

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

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

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

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

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

**CFR – Code of Federal Regulations** are published federal rules that define and implement laws; commonly referred to as “the regulations.” Regulations related to HUD programs are primarily in the 24<sup>th</sup> section of the code, denoted 24 CFR.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**PHA** – Public Housing Authority.

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

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

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

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

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

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

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

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

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

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