



MPHA 2022

MOVING TO WORK

Annual Report

Fiscal Year January 1 – December 31, 2022

Submitted to HUD: March 31, 2023

Revised and Submitted to HUD:

Accepted by HUD:

EQUAL HOUSING OPPORTUNITY – EQUAL EMPLOYMENT OPPORTUNITY

MINNEAPOLIS PUBLIC HOUSING AUTHORITY BOARD OF COMMISSIONERS

Tom Hoch, Chair
Elfric K. Porte II, Co-Chair
Mikkel Beckmen, Commissioner
Abdullahi Isse, Resident Commissioner
Cara Letofsky, Commissioner
Tamir Mohamud, Resident Commissioner
Hon. James Rosenbaum, Commissioner
Medaria Arradondo, Commissioner
Alyssa Erickson, Commissioner
MPHA Executive Director/CEO: Abdi Warsame

MISSION STATEMENT

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

ABOUT THE MOVING-TO-WORK PROGRAM

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. 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.

For more information, contact: MTW@mplspha.org



[MplsPublicHousing](https://www.facebook.com/MplsPublicHousing)



[MplsPubHousing](https://twitter.com/MplsPubHousing)



www.MPHAOnline.org

MPHA 2022 MTW Annual Report
Table of Contents

I.	Introduction	4
II.	General Operating Information	9
	A. Housing Stock Information.....	9
	B. Leasing Information	13
	C. Waiting List Information	16
	D. Information on Statutory Objectives and Requirements.....	16
III.	Proposed MTW Activities	19
IV.	Approved MTW Activities (Index)	20
	A. Implemented Activities.....	21
	B. Not-Yet-Implemented	58
	C. Activities on Hold.....	58
	D. Closed Out Activities	59
V.	Sources and Uses of Funds	64
VI.	Administrative	65
	MTW Statutory Requirement Certification	66
	Local Asset Management Plan	67

I. INTRODUCTION

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

In 2022, the agency outlined the following priorities that guided our work:

- Safety and Health
- Adapting to New Ways of Doing Business
- Housing Stability
- Confronting the Legacy of Structural Racism
- Living our Future

These priorities helped focus agency resources and helped make 2022 a year of innovation for MPHA. This year, several projects that were outlined in our 2018 Strategic Plan finally came to fruition. It took a lot of hard work to see this vision come together, but as a team we are excited to continue this path of innovation.

After several years of virtual events, MPHA celebrated the Elliot Twins renovation with a grand opening event. This marked the completion of what is considered the State of Minnesota's most comprehensive RAD project to date. It was a great moment to reflect on potential ahead and champion the challenges that were overcome to deliver such an ambitious undertaking.

In November 2022, MPHA also closed on the Family Housing Expansion Project that will add 84 new homes to our housing stock that will help hundreds of families in the years to come. The agency valued the collaboration with the community to complete the design of these projects. We look forward to seeing these new sites complete, and leveraging the lessons learned through this process on how to further increase the impact of such a new development.

Another major milestone for this year is the additional \$5.2 million award from HUD for Minneapolis Public Housing in partnership with Metropolitan Council HRA to participate in the Community Choice Demonstration Program. This regional partnership aims to allow more families with vouchers to live where they wish, across the Twin Cities and builds upon important research on how to make this a reality for more households across the country through adoption of new policy.



HOUSING PRESERVATION AND CREATION

To fulfill our mission, MPHA must leverage all funding and program opportunities to provide housing to the city's lowest earners. The federal capital funds received meets approximately ten percent of the needs of MPHA's portfolio. This reality requires MPHA to get creative in finding ways to secure stable funding to invest in major capital improvements and long-term preservation of MPHA homes for low-income families. In our pursuit to not only preserve our current housing stock, but to generate new units MPHA ensures no displacement, and upholds a consistent record of resident engagement. In 2022, a few notable activities include:

Celebrating the Opening of Elliot Twins

In June 2022, MPHA celebrated the opening of The Elliot Twins. This **\$27 Million** rehabilitation included new kitchens, bathrooms, and flooring for the 184 existing units. Additionally, the new exterior shell provides long-term energy savings that stretch MPHA's limited resource while upholding our green energy standards. One of the greatest outcomes of the rehabilitation is the addition of a community room, so now the two buildings are linked with a common space for residents to gather and socialize. This area also houses the new laundry facility, exercise, and computer rooms. Finally, an additional 10 fully compliant ADA units were added through this process.

MPHA self-developed the Elliot Twins utilizing every tool available to make it a success. In addition to RAD rents, state housing revenue bonds were paired with 4% low-income housing tax credits to finance this project. These funding sources were combined with energy-efficiency funding from the City of Minneapolis and a contribution from the agency's public housing capital fund. MPHA used HUD's RAD/Section 18 hybrid option to receive enhanced tenant-protection-voucher funding for twenty-five percent of the total units. Long-term affordability of this community asset is protected by multiple mechanisms, including a 99-year ground lease and land-use restriction.



Renovation Program for Scattered Site Homes: Family Housing Expansion Project (FHEP)

The Family Housing Expansion Project (FHEP) consists of 16 building sites throughout the City of Minneapolis. In total, when completed, there will be 26 two-bedroom and 58 three-bedroom units in the project, significantly expanding the number of families which MPHA can serve. A key feature of this project is the use of modular construction, which should deliver the units thirty-three percent faster than traditional construction, while minimizing disruptions to the neighborhoods around the sites. The expectation is that each building will require three to four months to build after the modular units are in place, and that the entire project, all 16 buildings, will be completed in about 19 months.

Since this work began, MPHA residents have been involved in every step of the process. Before the agency conducted any external engagement, agency staff sat with residents to understand what should be prioritized in any new-unit developments. The agency created a resident design panel, connecting residents with project architects to provide guidance on everything from layout designs to finishings used on surfaces throughout the new units. The unique resident-led approach afforded project architects invaluable insights, including an emphasis on maximizing storage space throughout the units not previously considered. These scattered site homes are a critical piece of city infrastructure, as they are a proven tool to provide families a solid foundation for upward mobility.

Ongoing Public Housing Capital Improvements: Commitment to Sprinkler Installation

Across our portfolio, MPHA continues to invest in high priority repair and modernization projects to the extent possible under our capital funding from HUD. A summary of 2022 capital activities is found in Section II of this MTW Report. These projects include updates to roofs, piping, electricity, HVAC, elevators, and security enhancements.

Since 2020, MPHA has invested more than \$16 million of its own capital dollars towards fire suppression installations. As of publication of this report we are on track to meet our goal of completing installation at all high-rise properties by 2025. This aim is tangible due to Minnesota Housing's contribution of \$2.4 million, the City of Minneapolis \$1 million in 2021 and Minnesota's federal delegation—led by Senators Smith, Klobuchar, and Representative Omar—securing a \$2 million direct appropriation in March 2022.

In the agency's 2022 Capital Plan, four high rises received sprinkler retrofits. These installations cost more than \$4 million. The City of Minneapolis amendment of their 2023 budget in December to send an additional \$1.2 million to MPHA to cover the remaining gap financing gap assures that this vital work can be complete by our five-year deadline.

Project-Based Voucher (PBV) Awards

MPHA's solicitation for proposals to expand project-based vouchers across the city has a notable positive impact on our Minneapolis community. These awards allow developers to close financing gaps, gain points in additional competitive funding, and expand the availability of affordable housing. These vouchers, along with increased City investment in affordable rental housing, are setting records for new production and expands the agency's ability to serve additional households that earn 30% AMI or below. Many of the newly created units, while they do not receive monthly subsidy from MPHA, are available to our tenant-based voucher program participants.



To the left is a picture of MPHA and partners celebrating the groundbreaking of Canvas Apartments November 30th, 2022. This 160-unit development in the Bottineau neighborhood is an exciting example of how the Agency's Project-Based Voucher program supports new development across the city. Canvas anticipates opening in the spring of 2024. The initial contract terms ensure 11 units will be set aside to serve residents who earn 30% AMI or below and have access to for at least 40 years. It is this type of partnership that ensures MPHA is not only upholding a commitment to its current residents, but to those who need this resource that goes beyond MPHA current capacity.



EDUCATION, EMPLOYMENT, AND HEALTH

Growth & Learning for Stable Homes Stable Schools (SHSS)

MPHA's Stable Homes Stable Schools partnership with the 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 in 2021. This recognition marks this program's forward-thinking design that tackles the issue of homelessness and the academic achievement gap simultaneously. MPHA and program partners will work with researchers from the University of Minnesota to monitor outcomes and program successes to continuously improve and monitor the best use of resources. Initial data shows positive outcomes in school stability and average daily attendance. 2022 marked the conclusion of the pilot phase and MPHA looks forward to expanding SHSS' reach in the years to come.

Expansion of Work by the Highrise Health Alliance

Residents in public housing across the country disproportionately suffer from chronic illnesses. Forming the High-rise Health Alliance, co-lead along with Minneapolis Health Department and Volunteers of America, we have forged meaningful relationships that allow us to remain dynamic to resident needs, and efficiently direct resources to the community. Meeting regularly with health plans, health care and social service providers we use a collective impact model to come together to interpret data, identify health priorities, and align services to develop integrated support systems. MPHA continues to provide on-site vaccination clinics directly to our residents to provide an opportunity for residents to receive flu and COVID-19 vaccinations. These events not only bring preventative care services onsite, but also provides an opportunity for residents to learn more about the resources available in their community. This group has also expanded to have a working committee that focuses on Behavioral Health, whose coordination of mental health resources aims to get residents connected to the support they need. In 2022, this work included a COPE presentation for MPHA property managers, development of a Crisis Response Protocol, presentations to resident leaders, and coordinating classes with Wellshare, University of Minnesota Extension, and National Alliance on Mental Illness (NAMI).

Extended Support for Residents: Housing Stability

In January 2022, the Rent Help Minnesota Covid relief program ended. During the pandemic, hundreds of residents fell behind on their rent due to unforeseen circumstances, illness, or increased family expenditures. Helping these households access emergency rental assistance and understand their rights and obligations under various eviction moratoriums was essential to keeping residents in their homes. Residents valued the support of having a direct contact to have their questions answered, thus the agency made a full-time Housing Stability Coordinator role a permanent position. MPHA recognized the value in having a designated staff to help facilitate appropriate rent adjustments, and guide residents in how to navigate paths on staying current with rent.

Evolution of the Twin Cities Section 3 Collaborative

2022 was the first year the new Section 3 HUD rule was implemented. Converting to and implementing the new rule took considerable effort and time by the agency. This involved revising our procedures and policies, training for both staff and vendors, and creating a reporting structure where we were able to capture the hours worked. Through these efforts MPHA was able to achieve and exceed the safe harbor benchmark requirements of at least 25% of the total labor hours worked on MPHA projects being done by workers defined as Section 3 and 5% defined as a Targeted Section 3 worker.



OPERATIONAL EXCELLENCE

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.

Transition to YARDI Voyager

In February of 2021, MPHA's new software system YARDI Voyager went live. The migration to a unified software platform for MPHA's major business functions was a major undertaking. This year we continued to train staff, integrate additional functions, and begin to see gains in productivity, cost savings, compliance, and customer satisfaction. While we made additional strides in 2022, MPHA looks forward to continuously expanding efficient use of technology to make it more convenient for residents, participants, and landlords to update paperwork, pay rent, and report changes to MPHA.

Mobility and Regional Partnership

MPHA and the Metropolitan Council HRA (Metro HRA) were one of nine sites from across the country selected to participate in HUD's Community Choice Demonstration. This award provides each agency with 37 new vouchers and \$4,013,100 in program funding.

This program builds upon recent research about the benefits living in low-poverty areas. Families supported by this program receive the voucher, plus mobility services that may increase the success of placement in a low-poverty neighborhood. If selected to receive services, eligible Metro families receive pre-move and post-move coaching and housing search assistance. If they choose to move to an Opportunity Area, they also receive financial assistance to help cover moving-related expenses such as security deposits and application fees. Metro HRA and MPHA have also taken steps to ensure the rental ceiling (payment standard) for homes in the Opportunity Areas are affordable for families and competitive for the property owners in the private rental market. Owners in Opportunity Areas who rent to families selected for mobility-related services receive financial incentives, including a lease-up bonus. Program staff work with families and property owners to facilitate good tenant-owner matches and positive relationships between them.

In addition to offering mobility-related services, participating public housing will work together in their regions to adopt administrative policies that further enable housing mobility, increase landlord participation, and reduce barriers for families to move across PHA jurisdictions through portability. MPHA looks forward to HUD's independent evaluation of the program at its conclusion to determine what services are most effective at meeting the program aims.

(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 PLANNED YEAR**	RAD?	DESCRIPTION OF PROJECT
	Planned*	Actual			
Bloom Lake Flats	25	0	Committed	No	HIV/AIDS, High Priority Homeless, Low Income
Ladder 260 fka/Fire Station One	18	0	Committed	No	Long term homeless and low income
Endeavors fka/Exodus 2	56	56	Leased/Issued	No	Long term homeless, disabled, and VASH
The Hillock fka/Snelling Yards - Senior	11	11	Leased/Issued	No	HUD/VASH
Snelling Yards - Workforce	13	0	Committed	No	High priority homeless, low-income, VASH
Lydia - Expansion	40	40	Leased/Issued	No	Long term homeless and disabled
Currie Commons	40	0	Committed	No	Disabled, high priority homeless, low income
Calvary Apartments	26	0	Committed	No	Low income
Canvas Apartments	11	0	Committed	No	Low income
Peregrine fka/2025 West River Road	25	0	Committed	No	Low income
	265	107	Planned/Actual Total Vouchers Newly Project-Based		

* 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:

N/A

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 individuals & 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	Leased/Issued		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 and Lydia Expansion	80	80	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 Also includes 5 project-based VASH.
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	Leased/Issued	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
Timber & Tie fka/14 th and Central	25	25	Leased/Issued	No	Low-income housing, projected
Endeavors fka/Exodus 2	56	56	Leased/Issued	No	Chronic homeless, disabled homeless
The Hillock fka/Snelling Yards	11	11	Leased/Issued	No	Homeless veterans (PBV VASH)
Scattered Sites	717	717	Leased/Issued	No	Low-income families
Elliot Twins	184	184	Leased/Issued	Yes	Low-income adults
	1,850	1,847	Planned/Actual Total Existing Project-Based Vouchers		

* 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 2022 Capital expenditures totaled approximately \$25 Million which reflects all MTW sources (including Capital Fund Program dollars) as well as HUD's safety and security grant funds. Additionally, over \$2M in City and State resources were expended on capital investments in 2022. Major work, completed or initiated, included:</p> <ul style="list-style-type: none"> ○ Façade restoration, structural repairs and window replacement at the Cedars ○ Redundant boiler installation and other HVAC improvements at 1015 4th Avenue North ○ Re-construction of a single-family home ○ Flat roof replacement at Glendale Townhomes ○ Façade repairs at 2415 North 3rd Street ○ Roof replacement, façade repairs and comprehensive building modernization at 1314 44th Avenue North ○ HCPD accessible unit upgrades and common area improvements at the Hiawatha Towers complex ○ Generator and main electrical switch gear replacement at 1707 3rd Avenue South, 1920 4th Avenue South, 1710 Plymouth Avenue North, and 710 2nd Street NE ○ HVAC systems upgrades at several high-rises ○ Security surveillance systems and equipment upgrades at multiple sites ○ Fire suppression system installation at multiple high-rises ○ Pre-development work and capital contribution for MPHA's Family Housing Expansion Project <p>The variance between forecasted and actual spending was primarily due to MPHA's capital contribution for its Family Housing Expansion project being disbursed throughout the construction period vs the entire contribution coming in at closing. Additionally, MPHA continues to experience some delays in construction implementation due to extremely long material lead times 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	59,576	61,378	4,965	5,115
MTW Housing Choice Vouchers (HCV) Utilized	38,400	43,680	3,200	3,640
Local, Non-Traditional: Property-Based	2,580	1,140	215	95
Local, Non-Traditional: Property-Based	1,584	1,188	132	99
Local, Non-Traditional: Homeownership	108	144	9	12
Planned/Actual Totals	102,248	107,530	8,521	8,961

* "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 difference in tenant-based LNT actual versus planned is largely due to fewer than expected families receiving Stable Homes Stable Schools rental assistance and the dissolution of the Better Futures organization. Better Futures closing also affected the property-based numbers at Great River Landing, as Better Futures was the service provider for that project. A new service provider has been engaged and we should see improvement in the project-based numbers in 2023.

LOCAL, NON-TRADITIONAL CATEGORY	MTW ACTIVITY NAME/NUMBER	NUMBER OF UNIT MONTHS OCCUPIED/LEASED*		NUMBER OF HOUSEHOLDS TO BE SERVED*	
		Planned^^	Actual	Planned^^	Actual
Tenant-Based	2018-2 GO Housing (Stable Homes Stable Schools)	1980	1128	165	94
	2020-3 Flexible Subsidy	600	0	50	0
Property-Based	2018-2 GO Housing	840	396	70	33
	2020-3 Flexible Subsidy	120	120	10	10
	2016 – 3 Supp. Housing for Youth	624	672	52	56
Homeownership	2010-4 Lease-To-Own Initiative	108	144	9	12
Planned/Actual Totals		4,272	2,460	356	205

* 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
MTW Public Housing	We continue to explore ways to expand agency-owned and alternative subsidy programs to aid families with children.
MTW Housing Choice Voucher	Minneapolis has a tight rental market with a vacancy rate of less than 3%. MPHA’s efforts include investing in dedicated resident mobility and owner outreach positions to create new housing opportunities. MPHA continues to research alternative payment standards for our unique municipality. MPHA has also experienced significant staffing challenges through the pandemic and that affected capacity to issue new vouchers at the rate desired.
Mainstream Vouchers	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 has worked with the local HUD office to establish a Move Up program for issuing more vouchers and MPHA expanded Housing Coordinator staffing to provide special populations with housing search assistance.
Local, Non-Traditional	Given the tight rental market, the local non-traditional programs such as Stable Homes Stable Schools have focused on leveraging partnerships to reach out to property owners. Our experience shows property owners have shown greater willingness to participate in programs with a mission to serve a specific population, like children experiencing homelessness or veterans. Using MTW flexibility, MPHA will explore flexible subsidies that can be tailored to the needs of families, priorities of the community, and experience of non-profit partners. Additionally, Better Futures struggled into 2022 with maintaining operations and was not able to restructure. At this time, there will be no additional placements with their organization and a new service provider has been identified for the Great River Landing project.

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+.	2543	Open	Yes
Public Housing Family	Families with at least one Dependent.	2931	Closed	No
Housing Choice Voucher Program	Active remaining after previous purge.	1500	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	6
Below 30% Area Median Income	35
Total Local, Non – Traditional Households Admitted	41

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.

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

MIX OF FAMILY SIZES SERVED (in Plan Year)				
FAMILY SIZE	BASELINE MIX PERCENTAGE**	NUMBER OF HOUSEHOLDS SERVED IN PLAN YEAR^	PERCENTAGE OF HOUSEHOLDS SERVED IN PLAN YEAR^^	PERCENTAGE CHANGE FROM BASELINE YEAR TO CURRENT PLAN YEAR
1 Person	60%	4,347 PH / 1,014 HCV	61.23%	1.23%
2 Person	13%	451 PH / 686 HCV	12.99%	-0.01%
3 Person	9%	118 PH / 572 HCV	7.88%	-1.12 %
4 Person	7%	94 PH / 423 HCV	5.91%	-1.09%
5 Person	5%	66 PH / 354 HCV	4.79%	-0.21%
6+ Person	6%	39 PH / 591 HCV	7.20%	+1.20%
TOTAL	100%	5,115 PH / 3,640 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	121	Public housing residents whose rent increased to the flat rent amount for their unit.
Low-Rent Annual to Three-Year Certifications	121	Public housing residents whose rent increased to the flat rent amount for their unit.
Lease-To-Own Initiative	0	Income sufficient to purchase home
GO Housing (SHSS, Better Futures, GRL)	1	Grad. from program, no longer require rental assistance
HCV Rent Reform Initiative	70	Includes homeownership, zero HAP, and voluntary withdrawals due to achieving financial stability.
Shelter to Home – PH	0	Graduating from program.
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
	121	(Households Duplicated Across MTW Activities) Total Households Transitions to Self Sufficiency
	194	

* 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	
Conversion of Subsidy and Capital for MHOP Units	2018	2018	
Flexible Subsidy for Community Priorities	2020	2020	
Goal-Oriented (GO) Housing Initiative	2018	2018	
Inspections & Rent-Reasonableness for MPHA-Owned Properties	2020	2020	
Lease-to-Own Initiative	2010	2012	
Local Project-Based Voucher Program	2018	2018	
Low-Rent Annual to Three-Year Certifications Combined with Biennial Income Recertification	2009	2010	
Minimum Rent Initiative for Public Housing Residents	2010	2011	
Mobility Voucher Program	2009	2010	
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	N/A	2017
Public Housing Earned Income Disregard	2009	2010	2017
Closed-Out Activities			
Conversion of 312 Mixed-Financed PH Units to PBV (2010 – 3)	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
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

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. 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. All activities related to acquisition and development will comply with PIH Notice 2011-45 and 2017-21

The primary MTW components of this activity, as currently approved and implemented, are:

- Single Fund Flexibility, by which MPHA will mitigate financing gaps by using MTW funds for development, acquisition, financing, or renovation costs.
- Development-related authorizations pertaining to partnership and property acquisition. Notes on these two components follow.

Partnership: MPHA’s portfolio plan envisions working with tax-credit and other partners to create mixed-finance developments that preserve our housing and potentially expand our service to the community. We may also develop our properties with an eye to facilitating work by service-provider partners who can reach our residents with resources and improve quality of life. We believe the MTW authorization under Attachment C - C.7(a) provides assurance to all partners—and, 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).

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

None

HC#1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household give that type in this box)	0	66 Family Housing for Scattered Sites 10 for the Elliotts	10	No*
*New units to be completed in 2023.				
HC#2: Units of Housing Preserved				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). If units reach a specific type of household, give that type in this box.	0	174 Family Housing-Elliots 700 Family Housing Scattered Sites Rehab & New Construction (682 rehab units plus 18 existing assisted units)	174 0	Yes No

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.

CE#1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	2022 Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$28,509	\$2,479	\$150.24	Yes
CE#2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	2022 Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	1,150 Hours	100 Hours	6 Hours	Yes
CE#3: Decrease in Error Rate of Task Execution*				
Unit of Measurement	Baseline	Benchmark	2022 Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	1	0	0	Yes

* Not an objective of this activity.

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

Approved and Implemented, 2018

Objective: Cost-effectiveness

Description/Update

MPHA holds the ACC for 98 units of public housing in 16 cities in the Metropolitan Housing Opportunity Program (MHOP), as well as 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 98 non-Heritage Park MHOP units, MPHA will work with HUD to operationalize a conversion of the Public Housing Operating Subsidy and Capital Funds for these units. By converting these properties tenants, owners, and MPHA will receive the rewards of increased cost-effectiveness. The challenge of working with so many individual owners across the metro land has proven time consuming in moving this work forward.

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

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

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

MPHA Metric				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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. In general, this activity provides MPHA with a broad range of ways to utilize funds directly or indirectly for housing opportunities for the people we are able to serve.

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

Consistent with MPHA's MTW Agreement and HUD's Notice 2011-45 titled, "Parameters for Local, Non-Traditional Activities under the Moving to Work Demonstration Program," MPHA's rental housing subsidies within this activity includes but are not limited to: supportive housing programs and services; homeless/transitional housing programs and services; support of existing local rental subsidy programs; creation of unique local rental subsidy programs to address special needs populations. Service provision includes but is not limited to services for residents of other PHA-owned or managed affordable housing that is not public housing or Housing Choice Voucher assistance, services for low-income non-residents and supportive services subsidies or budgets for low-income families. As community needs arise, MPHA would propose the specific additional uses of LNT subsidy in future plans as it deems appropriate.

MPHA may use MTW Funds as defined in Attachment C of the Agreement "Single Fund Budget with Full Flexibility" for any eligible activity as outlined. The agreement also includes housing development activities as among those eligible expenditures, to include but not be limited to a number of listed activities including financing and other related activities. MPHA would potentially use MTW funds for fulfilling Guarantees related to the production, rehabilitation, and financing of PBV, and other non-PBV low-income units, by its instrumentalities. This ability would provide additional comfort to both MPHA and lenders or investors of MPHA's authority to proceed with these commitments.

This activity supports MPHA's ability to come to the table for rapid response in circumstances where families face near-term need for stabilization. The additional use of this activity in 2023 could be to address an 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.

HC#1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household give that type in this box)	0	10 (Families, generally with HOH disability)	10	Yes
HC#2: Units of Housing Preserved				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). If units reach a specific type of household, give that type in this box.	0	0	0	N/A
HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a new or better unit and/or neighborhood as a result of the activity (increase)	0	80	0	N/A
HC #7: Households Assisted by Services that Increase Housing Choice				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice (increase).	0	10	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 2022 initiatives under 2018 – 2 GO Housing are as follows:

Stable Homes Stable Schools: The “Stable Homes, Stable Schools” (SHSS) 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.

2022 began the fourth year of the program, and the partners further integrated an evaluation component to understand achievements and consider next steps. Through 2022, the program has served 137 families with rental assistance and over 1300 families with one-time emergency assistance. Altogether, over 3800 children avoided or ended homelessness so they could focus on their education. Also in 2022, planning began to expand the core SHSS program to an additional 5 elementary schools, increase the depth by which we work with the schools with the highest homeless and highly mobile families, and expand housing stability to all elementary schools. The program also began conversations with Hennepin County to possibly receive funding for developing and implementing an expansion of the housing stability services. This expansion could provide 6-24 months of financial and case management assistance to households experiencing instability where one-time assistance is not adequate to avoid an episode of homelessness and provide lasting housing stability.

Great River Landing and Better Futures: 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 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 180 Degrees. These services help the men reunify with their families and establish civic pride and ties to their communities.

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

Employment and savings incentive pilot program (unnamed): In 2022, MPHA anticipated piloting a program to incentivize employment and savings for participants in MPHA's public housing and voucher programs. MPHA did not implement this pilot due to staffing and operational challenges caused by the after-effect of the pandemic.

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

SS#1: Increase in Household Income				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).*	\$24,976	\$25,376	\$28,317	Yes
<i>*Income of families with employment income.</i>				
SS#2: Increase in Household Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow of households affected by this policy in dollars (increase).	0	0	0	No*
<i>*Asset information is not collected and there is no escrow program for this activity.</i>				
SS#3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(1) Employed Full-Time	7	20	17	No
(2) Employed Part-Time	15	30	26	No

(3) Educ. Program	N/A	0	N/A	No
(4) Job Training Program	N/A	0	N/A	No
(5) Unemployed	22	10	50	No
(6) Other	0	0	0	No

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

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	25	15	42	No*

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

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

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	0	70	93	Yes

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

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	\$0	0	\$0	No*

* Families served by SHSS are only 40% subsidized by MPHA.

SS#8: Households Transitioned to Self-Sufficiency

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).*	0	10	1	No**

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

**SHSS was extended into a 4th year due to the pandemic so no 'graduations' have occurred.

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

Objective: Cost-Effectiveness

Description/Update

Federal regulations require an outside contractor to perform HQS inspections and rent reasonableness determinations on PHA-owned units receiving federal subsidies for housing programs. To reduce cost and achieve greater cost-effectiveness in federal expenditures, MPHA conducts inspections and determines rent reasonableness for MPHA-owned units under this activity. Eliminating the independent entity is intended to improve administrative efficiencies, eliminate confusion for the resident of the unit, and improve the response time for performing inspections.

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

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

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

CE#1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	2022 Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$51,000	2020: \$35,700 (30% decrease)	0	No*
<i>*Metrics for this activity are not yet available. MPHA will continue exploring whether to reinstate this metric in the future.</i>				
CE#2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	2021 Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	0	2020: -700 hours (increase)*	0	No*
<i>*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.</i>				
CE#3: Decrease in Error Rate of Task Execution				
Unit of Measurement	Baseline	Benchmark	2021 Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease)*	50%	2020: 50%	0	No
<i>*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.</i>				

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. In 2018, MPHA entered into an MOU with Habitat for Humanity to enroll residents in a homeowner- readiness counseling and mortgage financing options programs.

MPHA began 2022 with fourteen townhomes sold, and 6 still in our public housing program. During 2022, we sold zero homes. The program's primary goal of creating new homeowners was naturally affected by the economic recession caused by COVID-19 as was the saving goals for the year. 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	\$53,176	\$71,948	Yes

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

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. MPHA is reviewing the release of a revised PBV RFP for 2023. Through the RFP, MPHA can strategically place vouchers—including veterans (VASH) and non-elderly disabled (“mainstream”)—in ways that align with the values and needs of the community, while achieving maximum return in creating additional affordable housing. Under the RFP, MPHA continued to make PBV awards and lease up units in 2022.

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

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

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

Note that starting in 2020 FY 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 (“contract rental agreements”) portion of this authorization. We would propose an update and explain in future proposed plans if we sought to apply the first part related to modifying contract rents.

MPHA may implement changes to the local PBV program to increase efficiency in several respects, now that MPHA has converted over 700 scattered-site units to PBV. First, MPHA may simplify rent reasonableness practices, by means that may include among others (1) allowing a new annual rent to go into effect without a new rent reasonableness study when the new rent would be authorized under the previous rent reasonableness study, and (2) omitting rent reasonableness studies for particular units and instead explicitly relying on completed rent reasonableness studies already completed for units with similar characteristics (e.g., same bedroom size and neighborhood). Second, to even out management staff workload, MPHA may stagger annual rent increase dates and may rely on increased fair market rents without rent reasonableness studies to authorize rent increases during interim periods that will facilitate the transition to staggered dates.

HC#1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household give that type in this box)	0	25	109	Yes
HC#2: Units of Housing Preserved				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). If units reach a specific type of household, give that type in this box.	0	891	0	No*
*This was applicable to the conversions, as there were no new existing housing units that went under HAP contracts in 2022.				

HC#4: Displacement Prevention				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households at or below 80% AMI that would lose assistance or need to move (decrease). If units 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 2022 for which this was applicable.</p>				

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

Approved in 2009, Implemented in 2012, This activity was combined with Biennial Income Recertification for Public Housing (2018-3) in MTW Report FY 2021

Objective: Cost-effectiveness

Description/Update

MPHA recertifies every three years (instead of annually) all public housing residents 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 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	2022 Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$109,659	\$346,335	\$60,096	Yes
CE #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	2022 Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	4,424 hours	1,896 hours	1,177 hours	Yes
CE #5: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	2022 Outcome	Benchmark Achieved?
Rental revenue in dollars (increase).	\$14,437,400	\$20,000,000	\$ 17,235,132	No

*Baseline combined with closed Biennial Income Recertification for Public Housing (2018-3) activity

SS#3: Increase in Positive Outcomes in Employment Status*				
Unit of Measurement	Baseline	Benchmark	2022 Outcome	Benchmark Achieved?*
(1) Employed Full-Time	300	325	329	Yes
(2) Employed Part-Time	600	625	565	No
(3) Enrolled in an Educational Program	0	0	0	Yes
(4) Enrolled in Job Training Program	0	0	0	Yes
(5) Unemployed	4406	4300	4151	Yes
(6) Other	0	0	0	Yes

* Not an objective of this activity.

SS#4: Households Removed from Temporary Assistance for Needy Families*				
Unit of Measurement	Baseline	Benchmark	2022 Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	265	250	87	Yes

SS#8: Households Transitioned to Self-Sufficiency				
Unit of Measurement	Baseline	Benchmark	2021 Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).*	360	100	121	Yes

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

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

Approved in 2010 and Implemented in 2011

Objective: Cost-Effectiveness

Description/Update

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

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

None

CE #5: Increase in Agency Rental Revenue - Public Housing				
Unit of Measurement	Baseline	Benchmark	2022 Outcome	Benchmark Achieved?
Rental revenue in dollars (increase).	\$221,400.00	\$480,000	\$432,900	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").

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.

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

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

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

MPHA and MCHRA launched their pilot of the Community Choice Demonstration September 6, 2022. Through the following months, MPHA has remote and in-person information sessions and enrollment meetings for participants to enter the program. These sessions outline the eligibility requirements (either a current voucher holder or waiting list member pulled using mobility criteria and has a child 17 or under). Participants are designated as Control, meaning that the status of the voucher does not change at all but they do not receive mobility related services, or Treatment, meaning that the participant receives access to mobility related services. Whichever group that the participant ends up in, per regulations, if they move into opportunity areas, they receive access to the mobility payment standards.

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

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

None.

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

HC #7: Households Assisted by Services that Increase Housing Choice				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice	0	45	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. While, the facility, called Downtown View, was under construction MPHA provided sponsor-based funding for YouthLink and PPL to provide educational support, job training, and other supportive services. Upon opening in February 2018, a standard Project Based Voucher HAP agreement was signed. The youth served come to the program via the Hennepin County Coordinated Entry system for sheltering the homeless, with intake administered by Youthlink. Since MPHA operates this partnership under a standard agreement with PPL and YouthLink this work no longer requires MTW flexibility.

This activity 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)

Downtown View post construction no longer functions under this activity but under our standard Project-Based Voucher terms. Therefore, after 2022 we will no longer be tracking the metrics under this activity (2016-3).

<i>CE#4: Increase in Resources Leveraged</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	0	\$11,900,649	\$11,900,649	Yes
<i>HC #1: Additional Units of Housing Made Available</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase)	0	77	77	Yes
<i>HC #5 Households Assisted by Services that Increase Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	77	56	No
<i>HC #7: Households Assisted by Services that Increase Housing Choice</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice (increase).	0	77	56	No
<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 (increase).*	0	\$8,487	\$0*	No

* Because of program designs, outcome reflects participants in the Downtown View property only. **At the end of 2022, occupancy was down for the youth service property and no active tenants were employed.

SS #2: Increase in Household Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow of households affected by this policy (increase).	0	\$300	\$0.00	N/A
MPHA does not track assets unless they are over \$50,000.				
SS #3: Increase in Positive Outcomes in Employment Status*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(1) Employed Full-Time -	0	0	0	Yes
(2) Employed Part-Time -	0	8	0	No
(3) Enrolled in an Educational Program -	0	8	4	No
(4) Enrolled in Job Training Program -	0	8	0	No
(5) Unemployed -	25	0	9	No
(6) Other:	0	0	0	Yes
* Outcome reflects participants in the Downtown View property only.				
SS #5: Households Assisted by Services that Increase Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	0	77	56	No
SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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

In 2018, MPHA and the City of Minneapolis partnered to fund and administer incentives that encouraged property owners to accept Section 8 Housing Choice Vouchers (HCVs). With these incentives, MPHA and the city intend to reassure property owners that have not partnered in the HCV program, especially due to past challenging experiences, that their concerns can be addressed or mitigated. Since implementation, MPHA has noted an increase in the number of property owners that participate in the HCV program, leading to increased housing choice for families with vouchers— particularly in areas of greater opportunity.

The incentives, covered under a Memorandum of Understanding with the city, were not funded by the city's budget for the plan year. However, MPHA continued to provide funding to include:

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

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

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

MPHA processes and pays claims. If the city reinstates this budget line item to support this initiative, MPHA will process reimbursement from the city for their agreed upon portion. 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. For 2022, MPHA paid out \$21,750 in new-owner incentives representing a record 87 new owners. 9 damage claims were paid totaling \$14,104. No holding fees have been paid. 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 was considered a pilot but the City and MPHA are jointly reassessing the success of the incentives and are reviewing potential adjustments. The partners may use a community review process and on-going surveys of current and potential owners to adapt or to design new incentives under this initiative.

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

None.

HC #1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household, give that type in this box.	0	30	87	Yes
HC#5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase)	0	15	32	Yes
MPHA Metric				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase in the number of new owners in opportunity areas of the City of Minneapolis	0	15	12	No

Public Housing Working Family Incentive (2010 – 1)

Approved and Implemented in 2011

Objectives: Self-Sufficiency

Description/Update

The rent calculation includes an automatic fifteen 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 2022. 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 2023, 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	2022 Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$15,970.00	\$23,000	\$28,915	Yes
<i>SS #3: Increase in Positive Outcomes in Employment Status</i>				
Unit of Measurement	Baseline	Benchmark	2022 Outcome	Benchmark Achieved?
(6) Other - Households with earned income.	1,241	1,200	894	Yes
(Expressed as percent)	21%	20%	15.1%	Yes

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	Baseline	Benchmark	2022 Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	546	400	77	Yes
SS #6: Reducing Per Unit Subsidy Costs for Participating Households*				
Unit of Measurement	Baseline	Benchmark	2022 Outcome	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	\$306.00	\$315.00	\$324	Yes

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

SS #7: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total Household contributions towards housing assistance (increase).	\$14,437,400	\$21,000,000	\$17,235,132	No.

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	2021 Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).*	270	250	121	No
* 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 adults, 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 a 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.

In MPHA's 2022 Plan, a basic impact analysis was provided noting the positive outcomes for families. Households will retain additional income, and the staff time saved by moving to a every three-year recertification timeline makes up for the additional HAP expense paid by the housing authority. The agency does not expect this change to have an adverse impact upon families, however, should a situation arise, MPHA's standard rent reform hardship policy would apply.

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. 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.

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

There are no changes to metrics or data collection.

CE #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (budget for Section 8 HCV program – expenses)	\$44,451,999	\$50,578,800	\$76,933,100*	No

CE #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	0*	0*	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.

CE #3: Decrease in Error Rate of Task Execution				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in calculating adjusted income as a percentage	12.6% error rate in adjusted income calculation	4% error rate in adjusted income calculation	19.7%	No

2021 MPHA MTW Annual Report

SS #1: Increase in Household Income				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average income from employment	\$17,495	\$25,611	\$29,221	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.	2,063 households have earned income.	Yes
	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	62% of Work-able households had earned income.	No

"Work-able" is defined as a HOH that is not elderly or verified as disabled unless that HOH is earning employment income or business income.

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	283	Yes

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

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average per unit cost	\$730	2022 - \$806.00 (5.4% COLA 2022)	\$890	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	70	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 was moved to Closed Out Activities in the 2023 MTW Plan.

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.

<i>CE#4: Increase in Resources Leveraged</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	0	TBD*	TBD	No
* Activity still in planning stage.				
<i>HC#2: Units of Housing Preserved</i>				
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). MPHA owns and manages these 16 townhomes for families experiencing homelessness. Families enter these public housing units directly as referrals from the Hennepin County Coordinated Entry homeless shelter system, with the units reserved for families below 30 percent of area median income. The development includes four two-bedroom and 12 three-bedroom units, along with a playground, ample green space, community patio, and storm-water management. Four units are permanent supportive housing, reserved for families experiencing long-term homelessness. The families who live at the Minnehaha Townhomes receive ongoing services from Hennepin County.

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

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

None.

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

HC #7: Households Assisted by Services that Increase Housing Choice				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice (increase).	0	16	16	Yes
SS #3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(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
SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	16	8	10	No
SS #5: Households Assisted by Services that Increase Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	0	6	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.				
SS #8: Households Transitioned to Self-Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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

Biennial Income Recertification for Public Housing (2018 – 3)

Approved and implemented, 2018, Combined with Low-Rent Annual to Three-Year Certifications (2009 – 2) in 2021

Why the activity was closed out

This initiative changed income certification of non-elderly, non-disabled families to every other year, rather than annually. The primary objective of this activity was cost-effectiveness, but also let residents retain more earnings in the near term, contributing to greater self-sufficiency. The program will remain but to decrease redundancy has been combined under MTW activity (2009 – 2).

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

Approved in 2010, Implemented in 2019, Closed in 2020

Why the activity was closed out

MPHA consolidated this activity with another that was fundamentally the same, *Conversion of Public Housing Operating Subsidy and Capital Funds for MHOP Units (2018 - 5)*. 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.

Reintegration of Offenders (2016 – 2)

Approved in 2016, Implemented in 2017, Closed in 2020

Why the activity was closed out

MPHA integrated this work into the *Goal-Oriented Housing (2018-2)* activity. 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.

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

Approved in 2016, Implemented in 2016, Closed in 2020

Why the activity was closed out

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

Soft Subsidy Initiative (2011 – 2)

Approved in 2011, Implemented in 2013, Closed in 2020

Why the activity was closed out

We have integrated this activity under *Goal-Oriented Housing Initiative (2018-2)*. 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. Goal-Oriented Housing was designed at the outset to incorporate a broader approach than the narrow program proposed in this activity in 2011.

Targeted Project-Based Initiative (2011 – 1)

Approved in 2011, Implemented in 2012, Closed in 2020

Why the activity was closed out

This activity has been superseded by Activity 2018-6 (*Local PBV Program*). Under its Local PBV Program, MPHA now has a comprehensive, open Request for Proposals (RFP) for PBVs that allows MPHA to establish and accomplish community-driven goals with its PBV allocations (including leveraging units of non-PBV affordable housing, which was the sole stated original purpose of this activity, 2011-1). The units originally intended for creation under this activity 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.

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 \$13.5 million of HCV HAP Subsidy under the Single Fund Flexibility authority. MPHA used approximately \$9.3 million in HCV HAP Subsidy to supplement funding for public housing capital improvements. Funds were used for on fire suppression system installations at Horn Towers (\$560K), 630 Cedar (\$520K), and 1717 Washington (\$950K). Substantial funding was used for facade restoration at the Cedars lowrise (\$2.1 M) and comprehensive modernization at 1314 44th (\$3.8 M), and associated project management for this work. Approximately \$4.2 million was used for public housing operating costs. The resources funded an additional \$1.7 million for security guards, \$1.5 million in operating contributions above the HUD subsidy formula amount for the Heritage Park mixed-financed development, and \$1 million to cover utility rate increases. Approximately \$68,000 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

VI. Administrative

A. Reviews, Audits, and Inspections

MPHA's 2021 Single Audit conducted in 2022 identified one finding. The auditor recommended more timely bank reconciliations be performed.

HUD completed a monitoring review of MPHA's CARES Act use of funds and compliance. The review resulted in no findings, no observations, and no recommendations.

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.

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, 2022**, 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, 2023

Date

Local Asset Management Plan (LAMP)

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

LOCAL DETERMINATION ON FEES

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

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

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

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

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

LOCAL DETERMINATIONS ON THE ASSIGNMENT OF COSTS

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

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

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

The Changes in Financial Management and Reporting for Public Housing Agencies Under the New Operating Fund Rule (24 CFR part 990) Supplement to HUD Handbook 7475.1 REV., CHG-1, Financial Management Handbook states that "Where it is not economical to have full-time personnel dedicated to a specific AMP, the PHA may establish a reasonable method to spread these personnel costs to the AMPs receiving the service. Shared resource costs are distinguished from front-line prorated costs in that the services being shared are limited to a few AMPs as opposed to being prorated across all AMPs. MPHA 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.