



MPHA 2023 MOVING TO WORK Annual Report

Fiscal Year January 1 – December 31, 2023

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MISSION STATEMENT

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

ABOUT THE MOVING-TO-WORK PROGRAM

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) increase housing choice, (2) create opportunities for families with children to become self-sufficient, and (3) increase 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 does give 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 way it intends 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



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MPHA 2023 MTW Annual Report

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(I) Introduction

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

In 2023, the agency began implementing its strategic plan. The plan describes MPHA's five-year vision to preserve and expand the public housing portfolio while centering the individuals and families staff serve every day. MPHA builds upon a solid foundation of being a long-standing high performing agency this anchors the agency to continuously improve to make the most of the resources available. The following priorities outlined in the plan guide this work:

- People
- Preservation
- Production
- Partnership

These four main priorities helped make 2023 a year of innovation for MPHA. MPHA outlined six goals in the agency's new 2023-2027 strategic plan. The plan outlines a structure to monitor, track, and report the progress made toward these goals to continue to leverage each resource and partnership for continued success. As a team, the agency is excited to continue to build on the momentum of 2023 to meet the needs of the Minneapolis community.

In January 2023, MPHA celebrated the agency securing the final funding required to install fire suppression systems in all forty-two of its high-rises within five years. This initiative started out as an ambitious goal in 2020 but is now underway to be completed ahead of its 2025 anticipated timeline. Thirty-three of the forty-two high-rises have already been completed, and the others have contracts awarded. This work is one of the ways that MPHA continues to preserve deeply affordable, high-quality housing to high-rise residents.

Throughout 2023, MPHA was able to secure a historic amount of local and state funding. One of the most remarkable being the Minneapolis Board of Estimate & Taxation voting to approve a \$5 million annual housing tax levy. This would not have been achieved had MPHA residents' not organized to advocate for the city to bring back the annual levy for the first time since 2008. This funding will go towards preserving the agency's buildings and homes, new unit production, and bringing in necessary resources for MPHA residents. With this funding, the agency is one step closer to closing the capital backlog.

In May 2023, MPHA secured a one-time cash grant of \$5 million from the Minnesota State Legislature to make repairs to the agency's portfolio of family homes. Preserving over 700 deeply affordable family homes is one of the agency's strategic plan goals. If left unaddressed, these family homes will end up in uninhabitable conditions. Although the capital backlog of this portfolio is great, this one-time investment will help MPHA address concerns as the agency continues to secure more funding support.

In July 2023, MPHA, along with the City of Minneapolis, Hennepin County, Minneapolis Public Schools (MPS), and the YMCA of the North, came together to announce the expansion of the Stable Homes Stable Schools (SHSS) program for the 2023-2024 school year. Stable Homes Stable Schools aims to improve families' housing stability, students' attendance, and educational outcomes through rental assistance and support services. This exciting expansion in partnership is addressing family homelessness and has brought nation-acclaim for its innovative partnership.

Lastly, one of the biggest milestones in 2023 was the agency's Family Housing Expansion Project. This project brings eighty-four new deeply affordable family housing homes across Minneapolis, providing families with a solid foundation for upward mobility. In September 2023, MPHA celebrated the first family to move in to one of the fully finished units. This new project aims to address the significant unmet demand for this type of housing. We look forward to seeing families moving into their new homes and leveraging the lessons learned through this process into future projects.

HOUSING PRESERVATION AND CREATION

To fulfill its mission, MPHA must leverage all funding and program opportunities to provide housing to the city's lowest earners. The annual federal capital fund typically meets only ten percent of the needs of the agency's portfolio. This reality requires MPHA to get creative in securing stable funding to address major capital improvements and long-term preservation of MPHA's deeply affordable family housing. In the pursuit to not only preserve the agency's current housing stock, but to generate new units, MPHA is committed to ensuring residents are centered and involved in all projects.

In 2023, MPHA accomplished several historical milestones. Highlighted below are a few of those achievements:

Completion of \$10 Million Improvements to Senior-Designated High-Rise:

In March 2023, MPHA completed a \$10 million renovation of a senior-designated public housing high rise, Hamilton Manor. Working closely with the building's resident council, the agency completed the renovations in one comprehensive project to reduce disruptions for residents.

The upgrades in the rehab project included replacing plumbing lines, installing a fire suppression system, HVAC and ventilation system updates, kitchen and bathroom renovation, sealing windows, and applying fresh paint in units and community spaces. Additionally, the agency repaired the building's exterior, replacing the roofing and added additional security lighting around the property.



This \$10 million investment is an example of MPHA's commitment to preserving its high-quality housing for high-rise residents. MPHA prioritized residents' input when planning and determining where investments are made. The work at Hamilton Manor furthers the agency's mission to deliver quality, well-managed homes with a people-centric approach.

Celebrating the Groundbreaking & Opening of the Family Housing Expansion Project:



In January 2023, MPHA, along with Senator Tina Smith, Minneapolis Mayor Jacob Frey, and other partners, came together to celebrate the groundbreaking of the Family Housing Expansion Project (FHEP) that has brought eighty-four new deeply affordable family homes across Minneapolis.

Throughout the entire process, MPHA residents have been involved. A resident design panel was created, 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.

Sixteen properties in need of major repairs to be inhabitable were identified to be redeveloped to produce higher-quality and a higher quantity of family homes. Across these sites, the project creates 26 two- and 58 three-bedroom units in newly constructed fourplexes and sixplexes. Of these units, sixteen are disability accessible, and another seventeen are high-priority homeless units.

Building eighty-four units on sixteen different sites is an unusual approach, but it will provide families with more housing options in many different neighborhoods. A key feature of this project is the use of modular construction, which delivered the units thirty-three percent faster than traditional construction, while minimizing disruptions to the neighborhoods around the sites.



Fast forward to September 2023, MPHA celebrated the grand opening of the first building site. With this celebration, MPHA welcomed a family back into one of the newly finished family units. The agency estimates these eighty-four new homes will serve about 420 families over the next 30 years. These scattered site homes are a critical piece of city infrastructure, as they are a proven tool to provide families with a solid foundation for upward mobility.

Commitment to Sprinkler Installation:

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 or before 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. And last but not least, \$1.2 million in the City of Minneapolis's 2023 budget, which was championed by Councilmember Wonsley.

With that being said, MPHA has secured all funding needed to install fire suppression systems in all forty-two of its high-rises. To date, fire suppression systems have been installed and completed every quarter at MPHA sites. Refining the workflow of retro-fitting each building in addition to the funding support from partners MPHA is on track to be finished ahead of our goal.

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 expand the

agency's ability to serve additional households that earn 30% AMI or below. In 2023, MPHA awarded 126 PBVs across seven different housing developments in Minneapolis. Across the seven projects, a total of 454 new homes at various affordability levels have been proposed. At least 75 percent of MPHA's 126 PBV units will be available to residents at or below 30 percent Area Median Income (AMI), with the remaining being reserved for those at or below 50 percent AMI.



To the left is a picture of the grand opening of The Hillock. This is a 100-unit, senior designated affordable housing development with eleven of the units supported by MPHA's Veterans Affairs Supportive Housing (VASH) project-based vouchers. This is a great example of the agency's goal of increasing the supply of deeply affordable housing by at least 150 units per year.

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. 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 indicated positive outcomes in school stability and average daily attendance, so as a result the three-year pilot led to the expansion of the program to kick off the 2023-2024 school year!

In July, MPHA, along with partners, announced the expansion of the SHSS program for the 2023-2024 school year. The City of Minneapolis & Hennepin County infused \$4 million to help fund this expansion. With this funding, SHSS emergency assistance will be offered to all 43 MPS elementary schools and multi-year rental assistance will be expanded from 19 to 24 schools. Additionally, in the future, SHSS will aim to double the number of families served per year and increase program staff.

In 2023, about 2,500 students in Minneapolis Public Schools experienced homelessness. Since the launch of SHSS in 2019, 1,500 families have been supported and more than 4,200 students are benefiting from the program. With the \$2 million investment from Hennepin County's Local Homeless Prevention Fund, the program now provides multiple months of emergency assistance and case management support for families. Safe and stable housing is the most significant factor in predicting a student's success. Furthermore, it has proven to break the cycle of poverty and bring long-term benefits to our communities.

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 provide 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).

In 2023, the Highrise Health Alliance (HHA) secured:

- Nearly \$100K in grant awards to support an anti-stigma campaign to increase access to Mental Health and Substance Use Disorder supports.
- A five-year \$5.1M funding agreement with the CDC to support new and existing partnerships to deliver services to MPHA residents.
- \$100K award from the Public Health Regenerative Leadership Synergy (PHEARLESS) grant. MPHA staff joined a cohort of four to win this grant. The goal of this nine-month program is to leverage the funding in creating sustainable solutions to advance health equity and well-being for all.

The HHA members consist of: Neighborhood HealthSource, MN Recovery Connection, Volunteers of America (VOA), UCare, Minneapolis Health Department, Medica, Minneapolis Highrise Representative Council (MHRC), Trellis, CHW Solutions, People's Center Clinics and Services, Hennepin Health, Health Partners, Blue Cross and Blue Shield of MN, and Community University Healthcare Center. These partners meet regularly to collaborate on emerging health issues, execute grant spending or discuss innovations on how to best serve MPHA highrise residents.

OPERATIONAL EXCELLENCE

MPHA continues to strive for operational excellence, measured in terms of customer and employee satisfaction. Our 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.

Commitment to Diversity, Equity, and Inclusion (DEI):

A new DEI initiative to audit HR policies and procedures to ensure alignment with DEI strategies started to take place in August of 2023. Earlier this year, MPHA contracted with MGT, a national firm specializing in public sector DEI consulting, to conduct an assessment of MPHA and provide our team a framework of the next steps we need to take in this journey towards inclusion. The primary mission of this work is to ensure we, as an agency, are integrating core DEI values into our work and ensure equitable access to internal and external services for all team and community members. The agency is excited to continue and solidify this work in 2024.

Completion of Union Negotiations:

In 2023, MPHA and various union representatives began negotiations on the contracts for numerous agency bargaining units. Following bargaining sessions that lasted through the fall, the final 2023 contract was unanimously approved by the American Federation of State, County and Municipal Employees (AFSCME) members in a vote delivering represented employees pay increases and expanded benefits packages. That contract, along with contracts for the International Union of Operating Engineers (IUOE) Local 70, North Central States Regional Council of Carpenters, International Brotherhood of Electrical Workers (IBEW) Local 292, and International Union of Painters and Allied Trades (IUPAT) Local 386, delivered increased employee allowance increases and additional work time flexibility. In return, the agency is afforded financial certainties during its annual budgeting process to support a workforce of nearly three-hundred-fifty team members.

More than eighty percent of MPHA team members are represented by a labor union. The agency boasts a wide range of unions representing its talented team members in their specific trades, including carpenters, painters, electricians, engineers, maintenance team members, and program and administrative staff.

Agency leadership is proud of the strong working relationship it maintains with union representatives, as evidenced by the effective contract negotiations and subsequent membership approval votes. This strong working relationship and the substantial financial investments made in these recent contracts are just the most recent example of the agency's commitment to establishing itself as an employer of choice in the Twin Cities region and the affordable housing industry.

Mobility and Regional Partnership:

After years of planning, May of 2023 marked the first Community Choice Demonstration (CCD) families moving into their new homes across the Twin Cities! MPHA and the Metropolitan Council HRA (Metro HRA) were one of eight 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 of 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.

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|---|
| (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 | 25 | Leased/Issued | 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 |
| Whittier Community Housing | 40 | 0 | Committed | No | Low income |
| Shelby Commons | 12 | 0 | Committed | No | Low income |
| Agra | 38* | 0 | Committed | No | Low income |
| Plymouth Avenue Apartments | 7 | 0 | Committed | No | Low income |
| Emerson Village | 40 | 0 | Committed | No | Low income |
| Ernestine / fka Currie Commons | 40 | 0 | Committed | No | Disabled, high priority homeless, low income |
| Calvary Apartments/Belfry | 26 | 26 | Leased/Issued | No | Low income |
| Canvas Apartments | 11 | 0 | Committed | No | Low income |
| Peregrine fka/2025 West River Road | 25 | 34 | Committed | No | Low income |
| | 338 | 152 | Planned/Actual Total Vouchers Newly Project-Based | | |

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

*Updating to latest committed vouchers to Agra

** 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:

| |
|---|
| Some projects have not yet finished construction or started lease-up. |
|---|

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 | 25 | 23 | 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 | 12 | 12 | Leased/Issued | No | Serves single adults who have HIV/AIDS. (Project also has 20 project-based NED vouchers.) |
| 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 (Project also has 11 project-based VASH) |
| 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 | No | Includes 10 units for families formerly experiencing long-term homelessness. |
| Hiawatha Commons | 22 | 22 | 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 | 10 | 10 | Leased/Issued | No | Homeless, senior, disabled, (Project also has 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 | 25 | 25 | Leased/Issued | No | Low-income housing, projected |
| Endeavors | 37 | 37 | Leased/Issued | No | Chronic homeless, disabled homeless (project also has 19 project-based VASH) |
| Snelling Yards | 0 | 0 | Leased/Issued | No | Project has 11 project-based VASH) |
| Scattered Sites | 717 | 688 | Leased/Issued | No | Low-income families |
| Elliot Twins | 184 | 184 | Leased/Issued | Yes | Low-income adults |
| | 1802 | 1,771 | 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:

| |
|---|
| Units removed from or added to contracts over time. |
|---|

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 2023 MTW spending on capital expenditures totaled approximately \$26.7M. Additionally, MPHA expended an additional \$3.5M in outside resources secured for capital investments. Major work, completed or initiated, included:</p> <ul style="list-style-type: none"> • Fire suppression system installation at multiple highrises • Comprehensive building modernization at 1314 44th Avenue North • Façade restoration at ten highrises • Window replacement at five highrises • Roof replacement at Glendale Townhomes and the Pentagon • Security improvements at multiple highrises and 1301 Bryant Avenue North • Main electrical switch gear and generator replacement at multiple highrises • Fire alarm system replacement at 1515 Park Avenue • Apartment entry door replacement at the Fifth Avenues and 2121 Minnehaha • Bathroom flooring replacement at 1627 S 6th Street; shower refinishing at 1710 Plymouth • HVAC equipment replacements at multiple sites • Elevator modernization at four highrises • Construction of the 84-unit Family Housing Expansion project <p>The variance between forecasted and actual spending was primarily due to the ongoing volatile construction market that was triggered by the COVID-19 pandemic. While conditions have improved some, higher construction costs and material and labor shortages remain an impactful force in the agency’s ability to timely and cost-efficiently implement capital investments.</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 | 61,400 | 60,991 | 5115 | 5,083 |
| MTW Housing Choice Vouchers (HCV) Utilized | 38,400 | 40,392 | 3,200 | 3,366 |
| Local, Non-Traditional : Tenant-Based | 2,880 | 1,632 | 240 | 136 |
| Local, Non-Traditional: Property-Based | 1,164 | 1,308 | 97 | 109 |
| Local, Non-Traditional: Homeownership | 72 | 144 | 6 | 12 |
| Planned/Actual Totals | 103,916 | 104,467 | 8,658 | 8,706 |

* "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 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.

Largely, the differences were due to Stable Homes Stables Schools families being served by short-term rental relief to stabilize their housing and not requiring a voucher issuance.

| 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) | 2,160 | 1632 | 180 | 136 |
| | 2020-3 Flexible Subsidy | 600 | 0 | 50 | 0 |
| | 2018-2 GO Housing (Better Futures) | 120 | 0 | 10 | 0 |
| Property-Based | 2020-3 Flexible Subsidy (Hook & Ladder) | 120 | 96 | 10 | 8 |
| | 2018-2 GO Housing | 444 | 648 | 37 | 54 |
| | 2016 – 3 Supp. Housing for Youth | 600 | 564 | 50 | 47 |
| Homeownership | 2010-4 Lease-To-Own Initiative | 72 | 144 | 6 | 12 |
| Planned/Actual Totals | | 4,116 | 3,084 | 343 | 257 |

* 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 | MPHA has established a creative partnership with the Northside Achievement Zone (NAZ) which is a collaboration of organizations and schools helping families in a geographic "Zone" of North Minneapolis to prepare children to graduate from high school ready for college. Families who agree to move into the NAZ area are allowed to apply even when the waiting list is closed, with the requirement that they accept a unit in the "zone". |
| MTW Housing Choice Voucher | Minneapolis has a tight rental market with a vacancy rate of less than 5%. MPHA's efforts include investing in dedicated resident housing coordination and owner outreach positions to create new housing opportunities, completing a study of our local rental market, an incentive fund for property owners, and regional partnership. |
| 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. |

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 and Elderly persons | 4,700 | Open | Yes |
| Public Housing Family | Families with at least one Dependent. | 3,538 | Closed | No |
| Housing Choice Voucher Program | Income eligible households | 1,524 | 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 |
|----------------------------|--|
| Heritage Park (Site-Based) | A separate waitlist was not determined as a feasible option in FY2023. |

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 | 11 |
| Below 30% Area Median Income | 97 |
| Total Local, Non – Traditional Households Admitted | 108 |

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% | 4,356PH / 890 HCV | 62.13% | 2.13% |
| 2 Person | 13% | 393PH / 641 HCV | 12.27% | -0.73% |
| 3 Person | 9% | 112PH / 532 HCV | 7.66% | -1.34 % |
| 4 Person | 7% | 87 PH / 415 HCV | 5.98% | -1.02% |
| 5 Person | 5% | 52 PH / 328 HCV | 4.53% | -0.47% |
| 6+ Person | 6% | 83 PH / 560 HCV | 7.65% | +1.65% |
| TOTAL | 100% | 5,083PH / 3366 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 | 69 | Public housing residents whose rent increased to the flat rent amount for their unit. |
| Low-Rent Annual to Three-Year Certifications | 69 | Public housing residents whose rent increased to the flat rent amount for their unit. |
| Lease-To-Own Initiative | 4 | Income sufficient to purchase home |
| GO Housing (SHSS) | 24 | Grad. from program, no longer require rental assistance |
| HCV Rent Reform Initiative | 218 | 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 | 4 | Youth on an education or employment trajectory and able to afford safe and decent housing upon exit from program |
| | 69 | (Households Duplicated Across MTW Activities) Total Households Transitions to Self Sufficiency |

* 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 and Rent-Reasonableness for MPHA Owned Properties | 2020 | 2022 | |
| Lease-to-Own Initiative | 2010 | 2012 | |
| Local Project-Based Voucher Program | 2018 | 2018 | |
| Low-Rent Annual to Three-Year Certifications | 2009 | 2010 | |
| Minimum Rent Initiative for Public Housing Residents | 2010 | 2011 | |
| Mobility Voucher Program | 2009 | 2010 | |
| Supportive Housing for Youth | 2016 | 2016 | |
| Property Owners Incentive Program | 2018 | 2018 | |
| Public Housing Working Family Incentive | 2010 | 2011 | |
| Rent Reform Initiative | 2014 | 2014 | |
| Shelter to Home – Public Housing | 2015 | 2017 | |
| Activities Not Yet Implemented | - | - | |
| Activities On-Hold | = | = | = |
| Closed-Out Activities | <u>Approved</u> | <u>Implemented</u> | <u>Closed</u> |
| Biennial Income Recertification for Public Housing | 2018 | 2018 | 2021 |
| Conversion of Mixed-Finance PH Units to PBV | 2010 | 2019 | 2020 |
| Reintegration of Offenders | 2016 | 2017 | 2020 |
| Shelter to Home – Project-Based Vouchers | 2016 | 2016 | 2020 |
| Replace Form of DOT with LURA to Preserve PH | 2019 | 2020 | 2022 |
| 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 |
| Alternate Income Verifications | 2013 | N/A | 2023 |
| Public Housing Earned Income Disregard | 2009 | 2010 | 2023 |

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 used 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 employed MTW authorizations when necessary to execute projects that optimize the goals of housing choice. This activity, as its name conveys, was the “toolkit” within which we have housed these authorizations and reported on their outcomes. Having certain authorizations in place also provided 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 complied 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 envisioned working with tax-credit and other partners to create mixed-finance developments that preserved 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).

| 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 | 67 - Family Housing for Scattered Sites New Construction (This is 84 units less the 17 existing assisted units). 16 of these units will be ADA compliant and 17 will be dedicated to families experiencing homelessness. | 63 | No |
| *New units 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. | 5 | 5 - Family Housing Units for rehabilitation | 0 | No |

Changes to Activity/Metrics/Data –

The Family Housing Expansion project that brought additional units of housing to the community continued into 2024. As for the preservation work planned, MPHA leveraged local partners to slate four of the single-family homes for significant rehabilitation. This work will proceed in 2024. The fifth unit requires complete redevelopment. The timing of this project is less clear as local zoning is under review. Once an appeal ruling is made, MPHA can determine the type of build that can be completed on this site.

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 | 2023 Outcome | Benchmark Achieved? |
| Total cost of task in dollars (decrease). | \$28,509 | \$2,479 | 364.65 | Yes |

| CE#2: Staff Time Savings | | | | |
|--|-----------------|------------------|---------------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | 2023 Outcome | Benchmark Achieved? |
| Total time to complete the task in staff hours (decrease). | 1,150 Hours | 100 Hours | 13 | Yes |

| CE#3: Decrease in Error Rate of Task Execution* | | | | |
|---|-----------------|------------------|---------------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | 2023 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.

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 dedicates considerable time, resources, and support to continually train providers related to HUD public housing requirements. As the original compliance period has expired and began to explore transition options in 2023 preserves the deeply affordable housing opportunity and protects families.

For the MHOP units outside of MPHA's jurisdiction, MPHA partnered with the Metropolitan Council's Housing and Redevelopment Authority to convert these units. The benefits for tenants and owners is clear and then entities drafted a work plan that the governing bodies of each organization can review in early 2024.

We continue to engage with McCormack, Baron, Salazar in our monitoring of Heritage Park's performance. The discussion continues to be complex as we work to find the best path forward to preserve family housing at the site. We anticipate additional communication with HUD as we isolate our strategy.

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

| CE#1: Agency Cost Savings | | | | |
|---|-----------------|------------------|----------------|----------------------------|
| 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 | 550 Hours | 0 | No |

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

Flexible Subsidy for Community Priorities (2020 – 3)

Approved and Implemented in 2020

Objective: Housing Choice

Description/Update

Traditional federal housing programs lack the flexibility or capacity to meet the needs of low-income households facing urgent 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 operates local, non-traditional (LNT) models of housing to meet these needs and extend our reach to new families not currently served by MPHA. Such subsidies can be sponsor-based or directly administered by MPHA, with the form and conditions of the subsidy tailored to match the scale and objectives. This activity provides MPHA with a broad range of ways to utilize funds directly or indirectly for housing opportunities for the people we are unable to serve. Consistent with MPHA's MTW Agreement and HUD's Notice 2011-45 titled, "Parameters for Local, Non-Traditional Activities under the Moving to Work Demonstration Program," MPHA's rental housing subsidies within this activity includes but are not limited to: supportive housing programs and services; homeless/transitional housing programs and services; support of existing local rental subsidy programs; creation of unique local rental subsidy programs to address special needs populations. Service provision includes but is not limited to services for residents of other PHA-owned or managed affordable housing that is not public housing or Housing Choice Voucher assistance, services for low-income non-residents and supportive service subsidies or budgets for low-income families.

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

This activity supports MPHA's ability to come to the table for rapid response in circumstances where families face need for stabilization. Collaboration with external partners helps address an acute eviction and homelessness crises in Minneapolis.

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 | 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 | 10 | 8 | 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 (increase). | 0 | 10 | 8 | No |

Goal-Oriented Housing Initiative (2018 – 2)

Approved and implemented, 2018

Description/Update

Goal-Oriented Housing encompasses an agency-wide effort to use specific participation goals and incentives that encourage families to take part in education, training, and/or employment opportunities. MPHA uses flexible voucher subsidies and rent incentives, including workforce housing opportunities tied to services and supports provided by partner organizations. Partners commit to providing services 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 targets these initiatives to households in the best position to benefit from them. Examples include:

1. Strategically identified existing public housing units located in areas close to services, support, 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.
2. Established specific program participation requirements tied to partner programs and support as well as other requirements necessary to demonstrate progress in meeting program goals.
3. Explored creation of a workforce housing development at MPHA properties and/or created a new workforce development in concert with MPHA partners.
4. Offered 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.
5. Created expanded - flexible voucher subsidy allocations that could 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).
6. Explored home ownership vouchers as incentives.
7. Considered setting aside or creating sponsor-based subsidy programs to better coordinate with partner programs and services.
8. Made available local project-based vouchers targeted at developments near partner services and supports.

Program elements could include:

- Partnerships with:
 - Schools – pre, elementary and middle, secondary, and post- secondary
 - Supportive services providers
 - Vocational skills providers
 - Employment providers
 - Tenant/participant savings initiatives
 - 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 2023 initiatives under GO Housing are as follows:

Stable Homes Stable Schools: The “Stable Homes, Stable Schools” (SHSS) program is a partnership with the City of Minneapolis, Hennepin County, 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. A social services partner, the Twin Cities YMCA, provides a web of ongoing supports. Parents commit to engagement in their child’s education. A local foundation also entered the partnership to fund services for families identified as at-risk of homelessness. The partners will work with researchers at the University of Minnesota to monitor outcomes and program success.

2023 began the fifth year of the program, and the partners further integrated an evaluation component to understand achievements and consider next steps. In 2023, plans to expand the core SHSS program to an additional 5 elementary schools, increase the depth by which we work with the schools with the highest homeless and highly mobile families, and expand housing stability to all elementary schools, were finalized and launched. The program also received funding for developing and implementing an expansion of the housing stability services through a grant from Hennepin County. This expansion provides up to 24 months of financial and case management assistance to households experiencing instability where one-time assistance is not adequate to avoid an episode of homelessness and provide lasting housing stability.

Great River Landing: Great River Landing is a 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.

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

Changes to Activity/Metrics/Data –

| 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 | \$26,800 | 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 | N/A | N/A |
| <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 | 21 | Yes |
| (2) Employed Part-Time | 15 | 30 | 14 | No |
| (3) Educ. Program | N/A | 0 | 1 | Yes |
| (4) Job Training Program | N/A | 0 | 7 | Yes |
| (5) Unemployed | 22 | 10 | 87 | No |
| (6) Other | 0 | 0 | N/A | N/A |

| 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 | 56 | No |
| <i>* Given ongoing program expansion to new homeless families, we would expect growth in this number (in the initial years) to outweigh families who advance toward self-sufficiency.</i> | | | | |

| 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 | 136 | 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 | N/A | N/A |

** 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 | 24 | Yes |

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

***SHSS was extended into a 4th year due to the pandemic so less 'graduations' have occurred.*

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

Objective: Cost-effectiveness

Description/Update

Federal regulations required 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 conducted inspections and determined rent reasonableness for MPHA-owned units under this activity. Eliminating the independent entity was 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: 688 ins units of scattered site housing, converted to project-based vouchers using HUD's Section 18 program, 184 units from the high-rise RAD conversion at the Elliot Twins, and 84 units of newly constructed PBV housing. 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 | 2023 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 | 2023 Outcome | Benchmark Achieved? |
| Total time to complete the task in staff hours (decrease). | 0 | 2020: -700 hours (increase)* | 0 | No* |
| <i>*MPHA did not spend any staff time inspecting these units, so the baseline is zero. This activity uses MPHA staff in lieu of paying a third party, so we would expect an <u>increase</u> in staff time, which will be reported here as a negative number.</i> | | | | |

| CE#3: Decrease in Error Rate of Task Execution | | | | |
|--|-----------------|------------------|---------------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | 2023 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 completed a thorough review of the program including the selection criteria, case management, and homeownership counseling. We updated the program's supporting procedures and entered an MOU with Habitat for Humanity to provide homeowner-readiness counseling and mortgage financing options. All new entrants to the program must qualify for and enroll in the Habitat program. MPHA anticipates that as of 2023, 16 units of the original 20 will have been sold. We will continue our work to close on the remaining homes.

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

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 | \$57,950 | 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 | \$1500 per-household average | 1500 | Yes |

| SS #8: Households Transitioned to Self Sufficiency | | | | |
|---|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions for "self-sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided. | 0 | 2 | 2 | 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 | 0 | N/A | N/A* |

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

| HC #6: Increase in Homeownership Opportunities | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Number of households that purchased a home as a result of the activity (increase). | 4 | 4 | 4 | Yes |

Local Project-Based Voucher Program (2018 – 6)

Approved and Implemented: 2018

Description/Update

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

- Project-basing Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing, subject to HUD's requirements regarding subsidy layering.
- Adopting a reasonable competitive process or utilizing an existing local competitive process for project-basing leased housing assistance at units that meet existing Housing Quality Standards, or any standards developed by the Agency.
- Substituting a Letter of Commitment, MOU or other pre-issuance of a HAP action that is sufficient to move the development forward.
- Modifying HUD's HAP Agreement to include MTW-approved related actions.
- Waiving the caps on the proportion of a development that may be project-based; waiving the caps on allocation of MPHA's voucher program budget authority to PBVs.
- The option of owner-managed, site-based waiting lists (SBWL) and site-based administration for its project-based developments. Owners will be required to develop and obtain MPHA approval on tenant selection plans, including establishing guidelines for selection from the waiting list, screening, re-exams, and transfers.

The option to determine the content of contract rental agreements that differ from otherwise mandated program requirements. This includes continuation of certain public housing lease, grievance, due process-related, and other provisions at properties that have undergone subsidy conversion, as a service to residents who undergo these transitions. The application of relevant MPHA policies to the Local PBV program, including MTW authorizations under MPHA's approved Housing Choice Voucher Rent Reform activity (2014 – 1).

- When currently served families in public housing reside in units converted to project-based vouchers (PBVs), MPHA intends to promote housing stability and continuity, as consistent with its mission and its *Guiding Principles for Redevelopment and Capital Investments*.
 - With respect to a family living in an under-occupied scattered-site unit when MPHA converts the unit from public housing to PBV, the unit may receive PBV assistance, and the family may remain in the unit until an appropriate- size scattered-site unit becomes available. If MPHA determines that there will be no appropriate-size scattered-site unit within a reasonable time, MPHA may offer a more nearly appropriate- size scattered-site unit. When MPHA offers an appropriate-size or more nearly appropriate-size scattered-site unit, the family living in the under- occupied scattered-site unit must move to the appropriate-size or more nearly appropriate-size scattered-site unit within a reasonable period determined by MPHA.

- Typically, MPHA would require the family to accept or reject the unit within two days and to move within 15 days after the family accepts the unit and within three days after signing the lease. MPHA may provide additional time, for example, to mitigate a hardship related to the school calendar or illness within the family, or as a reasonable accommodation for a person with a disability. If the family does not relocate within the required time, MPHA expects to terminate assistance for the unit and that the owner will move to evict the family.
- 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 2024. 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 2020, MPHA project-based for the first time at properties owned by the agency, following subsidy conversions under RAD and Section 18. Any future such applications are contemplated elsewhere in this plan and would follow the required and transparent course.

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

2023 Use of Previously Existing MTW Authorizations

MPHA is utilizing project-based vouchers at the property sites within the Family Housing Expansion Project. The eighty-four-unit new construction across sixteen sites benefitted from MPHA waiving the standard competitive process.

In late 2022, MPHA closed and embarked on the Family Housing Expansion Project which involved the demolition of 21 PBV-assisted scattered site units and replaced with 84 PBV and low-income housing tax credit-assisted modular units on those sites. Current residents remained subsidized throughout the process, were relocated temporarily for the demolition/construction

period, and were provided the option to move into the new PBV- assisted units. MPHA used this activity both to assure that the residents’ treatment reflects the reality that they will be continuously subsidized and moved into the new construction as well as to facilitate the HAP contract transition from the current PBV units to the modular PBV units. 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). MPHA began to lease up these units in the last quarter of 2023, with a target to have full occupancy by quarter two of 2024.

MPHA began leasing these new units late in 2023, and will use owner-managed, site-based waiting lists for all PBV projects after initial occupancy.

During the construction process, MPHA’s MTW authorization as outlined in Attachment C, D.2.b was essential to providing high quality care to resident’s by carrying over public housing tenant protection and related provisions to all agency owned, scattered site PBV units. This includes preserving public housing lease terms for administrative efficiency.

MPHA looks forward to filling all units in 2024 and continuing to monitor opportunities to streamline rent assessments as well as other efficiencies that will provide safe, quality housing to Minneapolis residents.

Changes to Activity/Metrics/Data –

There are no changes to metrics or data.

| HC#1: Additional Units of Housing Made Available | | | | |
|---|-----------------|--|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household give that type in this box) | 0 | 25 63 Family Housing – Scattered Sites New Construction (This is 84 units less the 21 existing assisted units). 51 new PBV units came online too. | 114 | 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* 21 Family Housing – Scattered Sites New Construction (21 existing assisted units that will be redeveloped). | 21 | Yes |
| *891 represents the total number of units that were converted in 2020, 21 represents the new units that went under a HAP contract in 2023. For clarity, in future years we'll only refer to the actions happening within the plan year. | | | | |

| 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 | N/A as specific to 2020 project |
| *This benchmark was set in 2020, when the outcome was reported for that plan year as being successful, as every family intended to be protected under this activity was protected and remained housed. | | | | |

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

Approved in 2009, Implemented in 2012, 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 | 2023 Outcome | Benchmark Achieved? |
| Total cost of task in dollars (decrease). | \$109,659 | \$90,000 | \$66,605 | Yes |

| CE #2: Staff Time Savings | | | | |
|--|-------------|-------------|--------------|---------------------|
| Unit of Measurement | Baseline | Benchmark | 2023 Outcome | Benchmark Achieved? |
| Total time to complete the task in staff hours (decrease). | 4,424 hours | 1,896 hours | 2,375 hours | Yes |

| CE #5: Increase in Agency Rental Revenue | | | | |
|--|--------------|--------------|---------------|---------------------|
| Unit of Measurement | Baseline | Benchmark | 2023 Outcome | Benchmark Achieved? |
| Rental revenue in dollars (increase). | \$14,437,400 | \$20,000,000 | \$ 18,816,584 | 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 | 2023 Outcome | Benchmark Achieved?* |
| (1) Employed Full-Time | 300 | 325 | 280 | Yes |
| (2) Employed Part-Time | 600 | 625 | 499 | 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 | 4058 | 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 | 2023 Outcome | Benchmark Achieved? |
| Number of households receiving TANF assistance (decrease). | 265 | 250 | 50 | Yes |

| SS#8: Households Transitioned to Self-Sufficiency | | | | |
|--|-----------------|------------------|---------------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | 2023 Outcome | Benchmark Achieved? |
| Number of households transitioned to self-sufficiency (increase).* | 360 | 100 | 69 | No |
| * 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 | 2023 Outcome | Benchmark Achieved? |
| Rental revenue in dollars (increase). | \$221,400.00 | \$450,000 | \$356,400 | Yes |

Mobility Voucher Program (2009 – 6)

Approved in 2009, Implemented in 2010

Objective: Housing Choice

Description/Update

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

We serve families under the Mobility Program by a) offering incentives and enhanced support to help families find and keep homes in areas of opportunity within the City of Minneapolis, and b) allowing participant families to lease a unit outside the City of Minneapolis, provided the unit is located in an area of opportunity. Families who lease in another metro area housing authority's jurisdiction must continue with MPHA case management services to remain eligible for the Mobility Program. Mobility families who port-out cannot be absorbed during the three years they are under the Contract of Participation with the receiving housing authority.

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

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

MPHA and Metro HRA launched their pilot of the Community Choice Demonstration on September 6, 2022. MPHA offered remote and in-person information sessions and enrollment

meetings for participants to enter the program. Participants are designated as Control, meaning that they receive a voucher but do not receive mobility related services, or Treatment, meaning that the participant receives access to mobility services in addition to the voucher. Whichever group that the participant ends up in, per regulations, if they move into opportunity areas, they receive access to the mobility payment standards.

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

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

None.

| <i>HC #5: Increase in Resident Mobility</i> | | | | |
|---|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity | 0 | 45 | 113 | Yes |

| <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 | 0 | 45 | 56 | Yes |

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.

Partners provide educational support and job training along with other support services while youth pay 30% of their income toward housing. The youth participants are referred to the program via Hennepin County's Coordinated Entry system. Current sites, include:

- Nicollet Square, 42 efficiency units for youth between 16 and 22 experiencing homelessness, including those in extended foster care. Youthlink will provide onsite services.
- Cedar View, 10 one-bedroom apartments will 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

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

Downtown View post construction functions under our standard Project-Based Voucher terms. In the 2022 MTW Report it was noted metrics would no longer be tracked under this activity (2016-3).

| <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 | 52 | 52 | Yes |

| HC #5 Households Assisted by Services that Increase Resident Mobility | | | | |
|---|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase). | 0 | 52 | 52 | 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 | 52 | 47 | No |

| SS #1: Increase in Household Income | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Average earned income of households affected by this policy (increase).* | 0 | \$8,487 | N/A | N/A |
| * We do not collect income on current activity households. | | | | |

| SS #2: Increase in Household Savings | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Average amount of savings/escrow of households affected by this policy (increase). | 0 | \$300 | N/A | N/A |
| MPHA does not track assets unless they are over \$50,000. | | | | |

| <i>SS #5: Households Assisted by Services that Increase Self Sufficiency</i> | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Number of households receiving services aimed to increase self-sufficiency (increase). | 0 | 52 | 47 | No |

| <i>SS #8: Households Transitioned to Self Sufficiency</i> | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Number of households transitioned to self-sufficiency (increase).* | 0 | 2 | 4 | 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. MPHA intends to continue these services in 2024:

- Property damage protections: Protect property owners by covering tenant damage claims that exceed the security deposit, up to \$2,500.
- Property Owner Holding Fee: MPHA will make a payment of a Holding Fee of up to \$500 to the property owner to hold an approved unit for an eligible participant while awaiting the release of a pro-rated rental subsidy.
- First Time HCV Property Owner Incentive: Property Owners receive a one-time, \$250 incentive fee when they rent to a voucher holder for the first time.
- Providing RentWise Curriculum to Participants: MPHA will provide incentives to voucher holders to complete this training to mitigate risks to owners.

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

The program was considered a pilot but the City and MPHA are jointly reassessing the success of the incentives and are reviewing potential adjustments. The partners may use a community review process and on-going surveys of current and potential owners to adapt or to design new incentives under this initiative.

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

MPHA maintained this activity in the plan year, but also recognizes the possibility that MPHA would like to utilize its funding in this manner even without necessarily using financial support from the City of Minneapolis. MPHA would also like to utilize funds in this manner in conjunction with its Flexible Subsidy for Community Priorities (2020 – 3) described above.

| 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 | 118 | 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 | 17 | 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 | 17 | Yes |

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

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

Changes to Activity/Metrics/Data–

| <i>SS #1: Increase in Household Income</i> | | | | |
|--|-------------|-----------|--------------|---------------------|
| Unit of Measurement | Baseline | Benchmark | 2023 Outcome | Benchmark Achieved? |
| Average earned income of households affected by this policy in dollars (increase). | \$15,970.00 | \$26,000 | \$30,763 | Yes |

| <i>SS #3: Increase in Positive Outcomes in Employment Status</i> | | | | |
|--|----------|-----------|--------------|---------------------|
| Unit of Measurement | Baseline | Benchmark | 2023 Outcome | Benchmark Achieved? |
| (6) Other - Households with earned income. | 1,241 | 800 | 683 | No |
| (Expressed as percent) | 21% | 15% | 14% | No |

| SS #4: Household Removed from Temporary Assistance for Needy Families (TANF) | | | | |
|---|-----------------|------------------|---------------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | 2023 Outcome | Benchmark Achieved? |
| Number of households receiving TANF assistance (decrease). | 546 | 300 | 50 | Yes |

| SS #6: Reducing Per Unit Subsidy Costs for Participating Households* | | | | |
|---|-----------------|------------------|---------------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | 2023 Outcome | Benchmark Achieved? |
| Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease). | \$306 | \$315 | \$427 | No |

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

| 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 | \$18,000,000 | \$18,816,584 | 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). The PHA may create definitions for "self-sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) | 270 | 75 | 69 | 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:

- **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.
- **Minimum Rent:** As part of the flat subsidy model, MPHA revised the application of minimum rent policies. If a participant's calculated rent amount is less than the minimum rent amount, the participant pays the minimum rent to the owner.
- **40 Percent Affordability Cap:** MPHA eliminated the 40 percent affordability cap because under rent reform affordability becomes the responsibility of the family. We will not approve a Request for Tenancy Approval (RFTA) if a participant's rent portion exceeds 50 percent of their monthly adjusted income without supervisory review and approval.
- **Revised Asset Income Calculation and Verification Policies:** When the market value of a family's assets is below an established asset threshold, MPHA will exclude income from these assets. When the total asset market value is greater than the established threshold, MPHA will calculate asset income by multiplying the asset's market value by the applicable passbook savings rate. HCV households may self-certify when the market value of the household's total assets is below the established threshold.
- **Interim Re-examinations:** MPHA limits HCV families to one discretionary interim re-examination per year. Between recertifications, household members who are employed are not required to report increases in earned income 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.
- **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).

- **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.
- **Flat Subsidy Reasonable Accommodation:** As a reasonable accommodation for individuals with qualifying disabilities, MPHA may provide a higher subsidy for accessible units.
- **Mixed Families:** For families with mixed immigration status, MPHA will deduct 10% from the flat subsidy amount. This 10% deduction is a flat deduction from the subsidy amount, regardless of the number of ineligible family members in the household.
- **Mitigating rent increases in cases of subsidy conversion:** MPHA may mitigate and/or phase in rent increases for households that formerly lived in Section 9 public housing and moved to MPHA’s PBV program through a subsidy conversion program (such as RAD or Section 18), as permitted under the MTW Agreement and program regulations.
- **Triennial Recertification for All Families:** All households may undergo recertification once every three years. MPHA may perform recertification on a rolling basis, with approximately 1/3 of families recertified each year.

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

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

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

| 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 | \$55,600,000 | 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* | N/A | N/A |
| * 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 | 10.8 | No |

| SS #1: Increase in Household Income | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Average income from employment | \$17,495 | \$25,611 | \$35,562 | 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. | 1489 | No |
| | 58% of work-able households had a head of household with earned income | 70% of work-able households had a head of household with earned income | 52% of work-able households had a head of household with 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 | 387 | Yes |

| SS #6: Reducing Per Unit Subsidy Costs for Participating Households | | | | |
|--|-----------------|----------------------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Average per unit cost | \$730 | 2020 - \$751.00 (1.6% COLA 2020) | \$928.86 | No |

| SS #8: Households Transitioned to Self-Sufficiency | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Number of households transitioned to self- sufficiency (increase). The PHA may create one or more definitions for "self- sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided.* | 14 | 2020: 350 | 218 | No |
| *Includes homeownership, zero HAP, and voluntary withdrawals due to achieving financial stability. | | | | |

Shelter to Home - Public Housing (2015 – 1)

Approved in 2015, Implemented in 2017

Objectives: Housing Choice, Self Sufficiency

Description/Update

In March 2019, MPHA opened the Minnehaha Townhomes, constructed in partnership with multiple public entities (and one philanthropic contribution). MPHA owns and manages these 16 townhomes for families experiencing homelessness. Families enter these public housing units directly as referrals from the Hennepin County Coordinated Entry homeless shelter system, with the units reserved for families below 30 percent of area median income. The development includes four two-bedroom and 12 three-bedroom units, along with a playground, ample green space, community patio, and storm-water management. Four units are permanent supportive housing, reserved for families experiencing long-term homelessness. The families who live at the Minnehaha Townhomes receive ongoing services from 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 | No |

| SS #3: Increase in Positive Outcomes in Employment Status | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| (1) Employed Full-Time | 0 | 4 | 3 | No |
| (2) Employed Part-Time | 0 | 4 | 4 | Yes |
| (3) Enrolled in an Educational Program | 0 | 0 | 0 | No |
| (4) Enrolled in Job Training Program | 0 | 0 | 0 | No |
| (5) Unemployed | 16 | 8 | 9 | Yes |
| (6) Other | 0 | 0 | 0 | No |

| 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 | 8 | Yes |

| 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 | 0 | No |

Note: Clients receive services in the initial months after move-in. In 2023, no residents received these initial services.

| SS #8: Households Transitioned to Self-Sufficiency | | | | |
|---|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions for "self-sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided. | 0 | 2 | 0 | No |

B. ACTIVITIES NOT YET IMPLEMENTED

None.

C. ACTIVITIES ON HOLD

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 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.

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: We integrated this partnership under another, subsequently-created MTW activity, Goal-Oriented Housing (2018-2). The intentions and execution of the Reintegration of Offenders (also known as Great River Landing) project are a perfect fit for MPHA's Goal-Oriented Housing framework. The authorizations and scope of this earlier activity are entirely contained within the intent and authorizations of Goal-Oriented Housing. Accordingly, Activity 2016-2 was closed in 2020. Great River Landing is a project-based voucher partnership focused on ex-offenders committing to a program of job-training and employment. To date, the initiative took the interim form of a sponsor-based arrangement while the Great River Landing facility was under construction. After it opened, MPHA moved this subsidy into our long-term, project-based voucher program. In addition to stable housing and access to employment

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

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

Approved in 2016, Implemented in 2016, Closed in 2020

Why the activity was closed out: This activity has been superseded by Activity 2018-6 (Local PBV Program). Under its Local PBV Program, MPHA now has a comprehensive, open Request for Proposals (RFP) for PBVs that allows MPHA to establish and accomplish community-driven goals with its PBV allocations (including directing units to serve community priorities such as homelessness, which was the stated original purpose of this activity, 2016-1). Accordingly, MPHA closed this activity as its intentions, potential outcomes, and authorizations are fully encompassed within our approved Local PBV Program Activity 2018-6. Under this activity, MPHA proposed to place up to 50 project-based vouchers (PBVs) with non-profit housing providers, focused on providing housing to formerly homeless families. Families will receive ongoing services from Hennepin County, property owners and/or their services provider partners. MPHA issued an initial request-for-proposals (RFP) in August 2016 and subsequently awarded a housing assistance payments (HAP) contract to one housing provider, Lutheran Social Services, for 12 PBVs. These units have been converted to PBV in the course of natural attrition of units.

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

Approved in 2019, Implemented in 2020, and Closed Out in 2022

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

For these properties, MPHA will replace the form of Declaration of Trust (DOT) that inhibits the agency's ability to leverage needed capital investment, with a Land Use Restriction Agreement (LURA). This action should help MPHA leverage funds locally and move forward with revitalization of these properties. We will do this while maintaining the long-term affordability of this housing for very low-income families via the LURA. In contrast to the DOT, the LURA is a proven framework that is well understood by potential lending/funding partners.

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

This activity was implemented insofar as MPHA has commenced the process of operationalizing it with HUD. MPHA has submitted a form of LURA to HUD for approval, which would continue to

apply applicable public housing requirements to the properties (as modified by any applicable HUD-approved MTW-related changes). The next steps depended upon agreement with HUD on the form of this template LURA. MPHA intended to revive this conversation with HUD in 2021 and to move forward.

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

HUD staff considered whether HUD can agree to the replacement of the form of DOT with a LURA along the lines described above under applicable regulations (i.e., without MTW), notably 24 CFR 905.700 (“Other security interests”) and if necessary 24 CFR 905.108 (definition of “Declaration of Trust”, which such a LURA would meet) and 24 CFR 905.318 (requirement to maintain Declaration of Trust). If HUD determined that HUD can approval a LURA under these regulations, MPHA would have used such a HUD-approved LURA and this MTW provision would have become unnecessary.

Soft Subsidy Initiative (2011 – 2)

Approved in 2011, Implemented in 2013, Closed in 2020

Why the activity was closed out: We closed and integrated this activity under a subsequently-created MTW activity, Goal-Oriented Housing Initiative (2018-2). Goal-Oriented Housing was designed at the outset to incorporate a broader approach than the narrow program proposed in this activity in 2011. This activity is presently inactive. Its authorizations were absorbed into Goal-Oriented Housing activity, and any potential revival of the program envisioned here would be encompassed by Goal-Oriented Housing. Accordingly, Activity 2011-2 was closed in 2020. Under this activity, MPHA initially entered into a subsidy agreement with a service-provider partner that rehabbed units for participating families. The family would commit to a path toward self-sufficiency and into the workforce, receiving a rent subsidy in return. The rent portion was structured differently than a standard voucher arrangement to incentivize work. MPHA provided a fixed subsidy payment to the partner, who also provided services related to education or job-training. After some successful years, this initial partner experienced funding challenges and discontinued the program at the end of 2017. We continued unsuccessfully to seek another partner.

Targeted Project-Based Initiative (2011 – 1)

Approved in 2011, Implemented in 2012, Closed in 2020

Why the activity was closed out: This activity has been superseded by Activity 2018-6 (Local PBV Program). Under its Local PBV Program, MPHA now has a comprehensive, open Request for Proposals (RFP) for PBVs that allows MPHA to establish and accomplish community-driven goals with its PBV allocations (including leveraging units of non-PBV affordable housing, which

was the sole stated original purpose of this activity, 2011-1). The units originally intended for creation under this activity were constructed, and the activity is no longer in active use. Accordingly, MPHA closed this activity as its intentions and potential outcomes are fully encompassed within approved activity 2018-6. Under this activity, MPHA project-based vouchers for the purpose of creating additional affordable housing for low-income families in the City of Minneapolis. MPHA's objective was to expand the locations of PBV programs, and to strategically deploy voucher awards to leverage the creation of additional non-PBV affordable housing (affordable to families with 80 percent of Area Media Income or below). MPHA first awarded vouchers under this initiative in early 2012, ultimately awarding 41 vouchers that facilitated an additional 226 units (a total of 267 affordable housing units) across four developments. This exceeded the goal of 120 units.

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.

Alternate Income Verifications (2013 – 2)

Approved in 2013, Not Implemented, Placed On-Hold in 2017, Closed 2023

Why the activity was closed out: 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.

Public Housing Earned-Income Disregard (2009 – 4)

Approved in 2009, Implemented in 2010, Placed On-Hold in 2017, Closed 2023

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.

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 low-rise (\$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 2022 Single Audit conducted in 2023 had no findings signifying MPHA's outstanding work on compliance with federal programs and internal controls.

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 the 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, 2023**, 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 27, 2024

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 2018 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.