



*Cora McCorvey, Executive Director/Chief Executive Officer*



# **FY2016 MOVING TO WORK PLAN**

Resubmitted to HUD on December 17, 2015

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## **MINNEAPOLIS PUBLIC HOUSING AUTHORITY**

*The mission of Minneapolis Public Housing Authority (MPHA) is 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.*

# FY2016 MOVING TO WORK ANNUAL PLAN

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## SECTION I: INTRODUCTION

### Short and Long-Term MTW Goals and Objectives

#### Short Term MTW Goals and Objectives

Minneapolis Public Housing Authority (MPHA) is one among a small percentage of “Moving to Work” (MTW) public housing authorities in the nation. MTW allows public housing authorities to exercise flexibility over how and where their funding from HUD will be spent. It also permits MPHA to waive various rules and regulations in order to make choices about how programs and services are delivered enabling the Agency to respond to specific affordable housing needs in our community. MTW does not increase federal appropriations, but it does allow public housing authorities greater control in deciding how to use them. With the Agency facing funding shortages, which are expected to continue far into the foreseeable future, MPHA’s MTW designation provides a powerful tool that can be used to support its mission.

MPHA’s short term MTW goals can be encapsulated in using its MTW authority and flexibility to identify strategies that have changes and/or will be implemented in 2016 consistent with its overall MTW Plan. With the overall goal of supporting MPHA's efforts to continue serving as many families as we can by providing safe, affordable and decent housing opportunities, including the preservation of its public housing units in the wake of on-going reductions in federal and local funding, and addressing the continuing and burdensome and bureaucratic demands made on our programs.

In 2016, MPHA will continue its efforts to develop and implement a strategy for acquiring property, securing capital funding and begin developing new units of public housing through utilizing its Faircloth ACC authority. MPHA's approved 2015 MTW initiative related to moving families with children out of homeless shelters is one of the outcomes envisioned for these short term goals. MPHA continues to engage with its partners, Family Housing Fund, Hennepin County, Minnesota Housing Finance Agency and the City of Minneapolis to identify sources of Capital Funds that can assist with the development of Faircloth units.

MPHA is continuing to hold its Alternate Income Verification to the ‘Not Yet Implemented’ category for MTW activities. MPHA as it opened its new acute assisted living – memory care program at its Signe Burkhardt development, has not needed to utilize this initiative for quickly processing vulnerable persons for housing in the program. If MPHA continues to be able to quickly process families without the need for this initiative, MPHA will move this to the 'Closed Out Activities' section of the MTW Plan after 2016. The Agency’s Targeted Project Based Initiative was expected to be completed in 2015. However, Emerson North - Portico units were not completed in 2015, but are expected to be complete in 2016. Once these

developments are completed and families housed, these developments will then become part of MPHA's regular PBV program and monitored under those requirements and the activity will be closed out in MPHA's 2017 MTW Plan.

MPHA had proposed three amendments to its 2015 MTW Plan, but due to the short period of time between the submission of the FY2015 Amendments and the submission of MPHA's FY2016 MTW Plan and after a conversation with HUD, these amendments will instead be proposed as new activities in MPHA's 2016 MTW Plan. These activities are designed to respond to immediate and long-term community needs: Activity 1 - Shelter to Housing; Activity 2 - Reintegration of Offenders (Prison to Home); and Activity 3 - Permanent Supportive Housing for Youth. These activities are detailed in the body of MPHA's 2016 MTW Plan.

While MPHA has used its MTW authority to increase the minimum rent to \$75 dollars per month, the Agency is holding off the allowed additional increases to \$100 due to strong resident feedback that such increases create an undue hardship for those very low income families who do not have additional sources of income. MPHA will continue to evaluate this on a year to year basis.

MPHA's Lease To Own Initiative (LTO) continues to struggle to fulfill the opportunities imagined with the development of this program. The agency is working with a local housing counseling and development agency, to identify lenders and work with families in the LTO program to successfully move from renters to homeowners in 2016. The agency will continue to seek success for this program in 2016, but is also beginning to consider alternative strategies for this initiative. MPHA expanded its options under the Housing Choice Voucher Mobility program to permit the initial use of the HCV Mobility vouchers to be expanded to the seven county metropolitan area but still limited to non-concentrated areas. In the latter half of 2015 and early 2016, MPHA will retain a Mobility Consultant to assist the Agency with a redesign of its HCV Mobility program to support greater opportunities for HCV participants. In 2015, MPHA-Hennepin County's Interim Housing Demonstration Initiative moved from the 'Not Yet Implemented' category to the 'Implemented' category as it has housed its first participants. This program will continue to be operational into the foreseeable future.

MPHA received a HUD Rental Assistance Demonstration (RAD) CHAP to convert the 200 public housing units that are part of the mixed income development in Heritage Park to project-based Section 8. MPHA may be utilizing its , MTW authority as needed to address the limitations on project basing more than 25% of the units in a development and other areas that may need regulatory relief as MPHA goes through this process. MPHA is in the process of moving this initiative from the 'Not Yet Implemented' to the 'Implemented' category. Any necessary use of MTW will be reflected in an amendment to the 2015 MTW plan or a new initiative in the 2016 MTW Plan as needed.

In 2016, MPHA will continue to engage in a continuous and ongoing review of its Asset Management Program portfolio and identify old, antiquated and unproductive properties that may be disposed of, refurbished and/or converted into small cluster developments, mixed financed communities and/or other income producing resources that support the Agency's overall affordable housing programs. This may include utilizing RAD, Voluntary

Conversion, Bonding, Low Income Housing Tax credits, New Markets Tax Credits, Historic Tax Credits and/or other sources of funds and supports. This includes a comprehensive review of MPHA's 184 unit Glendale family townhome development and various scattered site housing units.

In undertaking redevelopment activities, MPHA may need to establish limited liability corporations/ partnerships in order to qualify for certain funding opportunities.

MPHA will also consider disposition of any vacant lots or parcels of land that are not tied directly to housing of tenants that could be sold, traded for other development opportunities and/or converted to some other purpose that benefits the Agency.

MPHA will consider partnering with other agencies, organizations, units of government to fully utilize its Faircloth ACC authority to expand and/or create additional affordable housing in our community and or specific housing and housing with services opportunities for families with children who are homeless and in shelter.

MPHA was given authorization under its MTW Agreement to implement local non-traditional activities. MPHA will explore and, as opportunities present themselves, partner and/or engage in activities that will position MPHA to contribute to affordable housing needs in the community. MPHA will follow guidance given by PIH Notice 2011-45 to implement any activity. Two of MPHA's three amendments to its 2015 MTW Plan utilize the Agency's authority to "implement local non-traditional activities' to create a sponsor based voucher program with Better Futures Inc. and Beacon for providing housing to offenders coming out of prison and with Project for Pride in Living (PPL) and YouthLink to provide supportive housing for homeless youth. These initiatives are modeled after MPHA's Soft Subsidy Initiative with Alliance Housing. MPHA understands that prior to taking advantage of the opportunities it will be required to have HUD review and have prior approval to implementation of the activity.

### Long Term MTW Goals and Objectives

MPHA will continue to use the Agency's 2012 - 2017 Strategic Plan adopted by the MPHA Board of Commissioners in 2012 to reflect its long term MTW Goals. MPHA is committed to responding proactively and strategically in determining its priorities and actions, including when and how to exert its MTW flexibility. MPHA's decision to take the more 'proactive' approach is not new. Since 1991, when it became an independent agency, MPHA has boldly taken calculated risks, engaged the community, and structured its decisions and actions to take maximum advantage of available opportunities to better serve its residents and program participants as well as contribute to the critical housing needs of some of the most vulnerable in our community.

*The Mission of the Minneapolis Public Housing Authority is to promote and deliver quality, well-managed homes to a diverse low-income population and, with partners, contribute to the well-being of the individuals, families and community we serve.*

MPHA's long term vision integrates the mission and values of the Agency, the seven strategic directions adopted as part of its recently approved Strategic Plan with MTW flexibility to best position MPHA to address the challenges and seize the opportunities it will face during the next five years.

The Board of Commissioners held 'Working Sessions' in April, May and June of 2015 to assess the 2012-2017 Strategic Plan, identify the challenges facing the Agency and consider critical community needs. The outcome of these working sessions led the Board to reaffirm its priority for preserving its public housing portfolio, but also encouraged more balance in responding to critical community needs by utilizing the Agency MTW Authority and targeting use of its Section 8 resources.

## **Strategic Direction 1**

**MPHA's highest priority is to preserve its viable housing portfolio so it remains a resource for affordable, safe, and high quality housing for its residents.**

- *Goal 1: Conduct physical needs assessments that provide the basis for capital improvements planning and implementation on a regular and reasonable basis.*
- *Goal 2: Provide maintenance and capital improvements to ensure a consistent livability standard that meets or exceeds HUD's Uniform Physical Condition Standards (UPCS).*
- *Goal 3: Implement sustainable strategies and technologies when carrying out capital and maintenance activities and agency operations.*
- *Goal 4: Take advantage of opportunities to maintain Public Housing subsidies and pursue other opportunities that contribute to the preservation of existing viable sites.*
- *Goal 5: Develop evaluation criteria, including housing program needs, cost effectiveness, and long-term sustainability measures, to consider when determining which properties should be retained and which should be eliminated from MPHA's portfolio.*
- *Goal 6: Investigate opportunities to reposition single family homes into more cost effective and operationally efficient housing inventory.*
- *Goal 7: Conduct a comprehensive assessment of security needs and practices with the goal of contributing to a safe and secure environment in a cost effective manner.*

## **Strategic Direction 2**

**MPHA will maximize effective use of its Section 8 Housing Choice Voucher Authority and have as a priority to maintain its baseline number of Tenant-Based vouchers and respond to additional critical Minneapolis community affordable housing needs by assessing revenue streams, resource implications, and opportunity costs as it allocates its vouchers.**

- *Goal 1: MPHA's priority will be to affect a balanced approach aimed at housing families from the agency's current wait list by maintaining and, where possible, expanding its allocation of Tenant-Based Vouchers and creating partnerships in order to make the most effective use of its limited Project Based Authority.*
- *Goal 2: When allocating Project Based Vouchers, MPHA will adopt strategies that will promote affordable housing to families with specifically identified needs, promote service enriched housing, leverage increases in the supply of affordable housing, and foster operational stability for affordable housing development.*
- *Goal 3: When awarding Project Based to potential partners, MPHA will develop and implement evaluation criteria that will include the partner's willingness to cover MPHA's costs above those that would be provided by HUD for Tenant- Based vouchers.*
- *Goal 4: Create policies that position the agency to respond to natural disasters and other emergencies as determined by the MPHA Board of Commissioners.*

### **Strategic Direction 3**

**MPHA will seek partnerships with the goal of enhancing services, promoting health and wellness, contributing to safety and supporting residents and participants in their efforts to live independent lives.**

- *Goal 1: Promote opportunities, in cooperation with its partners, for residents to age in place and receive services and supports that will allow residents to have quality lives.*
- *Goal 2: Sustain its Senior Housing Designation Plan, which creates and sustains senior communities within MPHA public housing developments and, offers choices for seniors regarding housing location and assisted living programs.*
- *Goal 3: Encourage and support resident involvement and participation in agency activities that impact residents and their homes. MPHA will work with established resident council and representation systems to support this goal.*
- *Goal 4: Provide through its partnerships education, training and employment opportunities for residents and participants seeking to become economically self-sufficient.*
- *Goal 5: Coordinate with the City of Minneapolis, Hennepin County and other partners to identify and implement specific strategies that promote health and wellness opportunities for residents and participants, including making MPHA smoke-free within the next five years.*

### **Strategic Direction 4**

**MPHA will continue to participate and communicate with HUD, the State of Minnesota, the Metropolitan Council, Hennepin County, and the City of Minneapolis to contribute to the development of housing policy and housing policy implementation as well as to ensure that the**

**affordable housing needs of Minneapolis residents and the agency's capacity and ability to address these needs will be considered when housing-related decisions are being made.**

- *Goal 1: Continue to interact with other units of government to contribute to the development of housing policies, rules, and regulations.*
- *Goal 2: Interact with local jurisdictions to create a local housing policy agenda, contribute to the housing elements of local plans, address immediate housing issues, develop emergency response strategies, and encourage a cooperative approach to implementing housing policy and services.*
- *Goal 3: Strategically communicate MPHA's successes, initiatives and capabilities to local leaders, businesses, and stakeholders and partners in order to increase awareness of MPHA's capabilities and contributions.*

## **Strategic Direction 5**

**MPHA will use its resources in an efficient and accountable manner, in compliance with all laws and regulations, and will seek to maintain an adequate financial reserve to ensure the long term viability of the agency and protect it from unanticipated costs and the consequences of fluctuating federal appropriations.**

- *Goal 1: MPHA will look for ways to streamline its operations in order to realize financial efficiencies and economies of scale.*
- *Goal 2: MPHA will maintain an adequate financial reserve to safeguard the agency against unanticipated costs and widely varying federal appropriations.*
- *Goal 3: MPHA recognizing the importance of operating with transparency, accountability and integrity, will meet all financial reporting, audit and expense eligibility requirements to the satisfaction of granting agencies and other financing partners.*
- *Goal 4: Conduct business and financial functions with a focus on best practices and integrity.*

## **Strategic Direction 6**

**MPHA will update and strengthen its operational policies and practices to ensure: a) that all staff can perform their duties at the highest levels of competency and b) the long-term viability of the agency, including cultivating and attracting the next generation of leadership.**

- *Goal 1: Provide staff training that benefits both the employee and the agency to ensure staff is abreast of and responsive to current trends.*
- *Goal 2: Provide diversity training for staff to improve communications with an increasingly diverse base of customers.*
- *Goal 3: Provide regular opportunities for staff to reflect on their goals and accomplishments.*

- *Goal 4: Design and implement management succession strategies that, at a minimum, include cultivating. Retaining, and attracting the next generation of leadership.*
- *Goal 5: Recruit and retain a diverse and talented workforce.*

## **Strategic Direction 7**

**MPHA will continue its commitment to promote participation in its operations by women, minority and Section 3 residents and Businesses as well as other Small and Underutilized Business Program (SUBP) participants.**

- *Goal 1: Recruit and hire qualified women, minority and Section 3 residents as part of a commitment to promote participation in its operations and comply with appropriate Section 3 requirements.*
- *Goal 2: Conduct procurement activities in compliance with Section 3 requirements and to promote MPHA goals related to participation of women and minority enterprises in agency business activities.*
- *Goal 3: Create a MPHA Job Bank that provides a list of Section 3 eligible residents, job interest categories and contact information that can be provided to firms doing business with MPHA.*
- *Goal 4: Identify and engage with organizations that provide education, training and support for employment related to the kinds of work performed by firms doing business with MPHA and refer residents to these organizations.*

# SECTION II: GENERAL HOUSING AUTHORITY OPERATING INFORMATION

Form 50900: Elements for the Annual MTW Plan and Annual MTW Report

Attachment B

## (II) General Housing Authority Operating Information

### Annual MTW Plan

#### II.1.Plan.HousingStock

#### A. MTW Plan: Housing Stock Information

#### Planned New Public Housing Units to be Added During the Fiscal Year

AMP Name and Number	Bedroom Size							Total Units	Population Type *	Fully Accessible	Adaptable
	0	1	2	3	4	5	6+				
PIC Dev. # MN0020000 02/AMP2 PIC Dev. Name Scattered Site	0	0	5	3	2	0	0	10	General	2	1
<b>Total Public Housing Units to be Added</b>								<b>10</b>			

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

If Other, please describe:



**New Housing Choice Vouchers to be Project-Based During the Fiscal Year**

Property Name	Anticipated Number of New Vouchers to be Project-Based *	Description of Project
Emerson North Family Housing - Portico	0	Beacon's (Families Moving Forward) board voted on June 10, 2015, at its annual meeting to remove Emerson North as an active project from their project pipeline; and therefore, release the 10 Section 8 PBA that had been awarded from MPHA to this project.

Shelter to Housing

50

Through amendment to its 2015 MTW Plan, MPHA proposed project basing up to fifty (50) vouchers with non-profit housing providers in the City of Minneapolis. The access to this housing is restricted to families in shelter, identified through Hennepin County's HMIS Case Management System and referred to the affordable housing provided. MPHA would engage in a Request for Proposals (RFP) for these specialized vouchers and invite affordable housing providers and developers to respond to this initiative. This activity could have an immediate and long-term impact on homeless families and free up a backlog in the City's emergency family shelter program. A portion of these vouchers may be set-aside for a project that would provide housing support for homeless youth who themselves have children.

Anticipated  
Total New  
Vouchers to  
be Project-  
Based

50

Anticipated Total Number of Project-  
Based Vouchers Committed at the End  
of the Fiscal Year

762

Anticipated Total Number of Project-Based  
Vouchers Leased Up or Issued to a  
Potential Tenant at the End of the Fiscal  
Year

762

\*New refers to tenant-based vouchers that are being project-based for the first time. The count should only include agreements in which a HAP agreement will be in place by the end of the year.

## Other Changes to the Housing Stock Anticipated During the Fiscal Year

### 53 MTW Public Housing Units will be held off-line each month in 2016 due to substantial rehab.

MPHA will seek funding for developing new or purchasing existing structures with single family units to replace units that have been approved for disposition and/ or units that are being considered for disposition. Newly developed housing will be Energy Star certified and preferably in clusters of approximately four or more units depending on land availability. Existing structures that are acquired will be in clusters as well. These units will have 3-4 bedrooms each and one of the units will comply with Section 504 of the Fair Housing Act. MPHA will submit a development application to HUD when suitable land and funding has been identified for development. MPHA understands that regulations call for 5% of units to be handicapped accessible and an additional 2% for sight or hearing impaired.

MPHA is also considering creating additional senior housing and possibly a development initiative to create housing for very large families who currently are at risk of homelessness due to a lack of such housing in the city. MPHA understands that prior to moving forward with this specific proposal, the agency will take appropriate action to amend the MTW Plan and secure needed HUD approvals and will follow development regulations found at 24 CFR 941. If successful in securing suitable land and sufficient funds for development opportunities described above, MPHA intends to dispose of a number of single family units from its AMP2. These units will be disposed as part of MPHA's asset management plan to replace units that are difficult to rent and that have high operating, maintenance and capital needs with newly built units in clusters that are more efficient and cost effective to maintain and operate. An application for disposal of these units will be submitted to HUD at the appropriate time. HUD has published the final CFP rule and the agency will comply with the CFP rule requirements.

MPHA has been awarded a CHAP under HUD's Rental Assistance Demonstration (RAD) program for the 200 units of public housing at Heritage Park, AMP 8. MPHA expects to have a successful conversion in late 2015 or early 2016 and if so, these units will be moved from the Agency's public housing inventory and converted to a PBRA program under an Agreement with HUD or a MPHA PBV program. MPHA is exploring the possibility of voluntary conversion and other options for the preservation of its 184 unit townhome development at Glendale. Once a determination is made to move forward, MPHA will follow the process as required by HUD. The Agency is deferring the RAD option for Glendale due to a commitment by the Agency to explore other options.

Examples of the types of other changes can include but are not limited to units that are held off-line due to the relocation of residents, units that are off-line due to substantial rehabilitation and potential plans for acquiring units.

**General Description of All Planned Capital Fund Expenditures During the Plan Year**

The Minneapolis Public Housing Authority (MPHA) is applying for a \$9.3 million CFP allocation for 2016. Further, projects that were initiated under previous funding cycles, but not fully completed in prior years, will carry over and incur expenditures in 2016. Additionally, a portion of the projects slated for 2016's \$9.3 million budget will not be fully expended in 2016 and will carry into 2017. This expenditure schedule is based on the assumption of receiving the Capital Fund grant at the end of March 2016. MPHA has estimated approximately \$20.66 million in capital expenditures for FY 16 targeted at specific projects in six of its seven Asset Management Projects (AMPs). Included in the \$ 20.66 million Capital Funds expenditures are roofs and infrastructure upgrades for AMP 2 our scattered site developments and major plumbing replacement, elevators, facade restorations, roof replacement, sprinkler system installation, common area improvements, and apartment upgrades in our highrise developments focusing on AMPs 3,4,5, 6, and 7. Details of this activity can be seen in Exhibit A. In performing its capital work, MPHA adheres to Federal, State and Local codes and regulatory processes.

**II.2.Plan.Leasing**

**B. MTW Plan: Leasing Information**

**Planned Number of Households Served at the End of the Fiscal Year**

<b>MTW Households to be Served Through:</b>	<b>Planned Number of Households to be Served*</b>	<b>Planned Number of Unit Months Occupied/ Leased***</b>
Federal MTW Public Housing Units to be Leased	6,115	73,380
Federal MTW Voucher (HCV) Units to be Utilized	4,437	53,244
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs **	0	0
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Tenant-Based Assistance Programs **	122	1,464
<b>Total Households Projected to be Served</b>	<b>10,674</b>	<b>128,088</b>

\* Calculated by dividing the planned number of unit months occupied/leased by 12.

\*\* In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/households to be served, the PHA should estimate the number of households to be served.

\*\*\*Unit Months Occupied/Leased is the total number of months the PHA has leased/occupied units, according to unit category during the fiscal year.

### Reporting Compliance with Statutory MTW Requirements

If the PHA has been out of compliance with any of the required statutory MTW requirements listed in Section II(C) of the Standard MTW Agreement, the PHA will provide a narrative discussion and a plan as to how it will return to compliance. If the PHA is currently in compliance, no discussion or reporting is necessary.

Minneapolis Public Housing Authority is in compliance with MTW Statutory Requirements and thus no reporting is necessary.

### Description of any Anticipated Issues Related to Leasing of Public Housing, Housing Choice Vouchers and/or Local, Non-Traditional Units and Possible Solutions

#### Housing Program

#### Description of Anticipated Leasing Issues and Possible Solutions

Public Housing

Public housing units in North Minneapolis are difficult to lease due to neighborhood crime and high foreclosure rates in North Minneapolis which results in many non-MPHA units being vacant in the neighborhood. Applicants do not want to live in a neighborhood with many vacant units. MPHA is partnering with the Northside Achievement Zone (NAZ) which is a collaboration of organizations and schools helping families in a geographic "Zone" of North Minneapolis to prepare children to graduate from high school ready for college. Families and children move through a "cradle-to-career" pipeline that provides comprehensive support from pre-natal through college to career. Families who agree to move into the NAZ area are allowed to apply even though the waiting list is closed, with the requirement that they accept a unit in the "zone". There are 59 scattered site units in the NAZ. MPHA has studio (efficiency) units located throughout Minneapolis, depending on the actual size and the location, which can be also difficult to rent. MPHA is trying new strategies at three buildings with especially hard to lease units where by all new move-ins are being housed in efficiencies and when a one bedroom opens up in that building, it is filled by the resident who has been living in an efficiency the longest. MPHA has used this strategy for just over a year and has yet to determined whether it is successful. We also have one location (1710 Plymouth) where for the past 10+ years, MPHA has secured

	<p>permission from HUD to engage in permissible deductions to annual income such that residents pay 20% of their adjusted gross income for rent for these specific units. MPHA recognizes that the units off line will delay a number of highrise families from being taken from the waiting list but it does not impact lease up issues for the Agency.</p>
Public Housing Rent-To-Own	<p>MPHA has struggled to identify families who meet the rigorous screening criteria of work history, minimum income and an ability to demonstrate credit sufficient to obtain financing within 5 years. MPHA continues to market the RTO Program to MPHA residents meeting minimum income requirements on the MPHA website, mailings to MPHA's 2-Bedroom waiting list, by networking with HUD approved homeownership counseling agencies and reaching out to new income eligible MPHA employees.</p>
Section 8/HCV	<p>In 2015, MPHA expanded its voucher offering to waitlist applicants and have been pleasantly surprised at the success rate of lease ups considering the age of the waiting list and Minneapolis' tight rental market. 77% of families from the waiting list found qualifying rental units within 90 days. The same has not held true for the Mobility Voucher Program however, and we are not clear about the cause. In fact, 40% of the Mobility Voucher families that completed their three year contract to remain in greater opportunity areas, have left those communities and moved back to higher poverty neighborhoods. For 2016, we are seeking a consultant who has more experience in the area of Mobility Counseling to help us recreate a Mobility Program that will affirmatively further fair housing through expanded choice and mobility.</p>

**II.3.Plan.WaitList**

**C. MTW Plan: Wait List Information**

**Wait List Information Projected for the Beginning of the Fiscal Year**

Housing Program(s) *	Wait List Type**	Number of Households on Wait List	Wait List Open, Partially Open or Closed***	Are There Plans to Open the Wait List During the Fiscal Year
Federal MTW Public Housing Units - Highrise	Community-Wide	5,801	Partially Open *	N/A

Federal MTW Public Housing Units - Family	Community-Wide	6,324	Partially Open **	N/A
Federal MTW Public Housing Rent-To-Own	Site Based	0	Open *** Given the difficulty in finding qualified candidates, only one (1) family had been on a list in 2013; who moved into a unit in 2014. Since approved applicants are immediately offered an available unit, there are not qualified applicants on a waiting list.	List will remain open until all units are filled and reopen for vacancies
Federal MTW Housing Choice Voucher Program	Community-Wide	5,325	Closed	No
Project Based Local	Program Specific	1,537 Total, but varies by Program	Some are open for Program Specific Referrals and some are closed.	Yes

\* *Select Housing Program*: Federal MTW Public Housing Units; Federal MTW Housing Choice Voucher Program; Federal non-MTW Housing Choice Voucher Units; Tenant-Based Local, Non-Traditional MTW Housing Assistance Program; Project-Based Local, Non-Traditional MTW Housing Assistance Program; and Combined Tenant-Based and Project-Based Local, Non-Traditional MTW Housing Assistance Program.

\*\* *Select Wait List Types*: Community-Wide, Site-Based, Merged (Combined Public Housing or Voucher Wait List), Program Specific (Limited by HUD or Local PHA Rules to Certain Categories of Households which are Described in the Rules for Program Participation), None (If the Program is a New Wait List, Not an Existing Wait List), or Other (Please Provide a Brief Description of this Wait List Type).

\*\*\* For Partially Open Wait Lists, provide a description of the populations for which the waiting list is open.

\* Open for Public Housing elderly, disabled and near-elderly

**\*\* Partially Open (third Wednesday of every month) for families eligible for 3, 4, and 5 bedroom units**

**\*\*\* Open for eligible MTW working families meeting minimum income guidelines and demonstrated capacity to purchase within a 5-year period.**

If Local, Non-Traditional Housing Program, please describe:

N/A

N/A

N/A

If Other Wait List Type, please describe:

N/A

N/A

N/A

If there are any changes to the organizational structure of the wait list or policy changes regarding the wait list, provide a narrative detailing these changes.

## SECTION III: PROPOSED MTW ACTIVITIES: HUD APPROVAL REQUESTED

*MPHA recognizes the unique status of the relationship between MPHA, the owners and managers of the 312 Mixed Income Developments throughout the Minneapolis Metropolitan Area and public housing residents living in assisted properties neither owned or managed by MPHA. Because of the impacts that specific MTW initiatives could have on owners and families who manage and live in properties that MPHA neither owns or manages, and the fact that each of these developments where the public housing is governed by a specific Regulatory and Operating (R & O) Agreement, all MTW initiatives approved under the waivers to the Public Housing Low Rent program will not be applicable to those developments unless both MPHA and the Owners agree.*

### **FY2016 ACTIVITY 1: Shelter to Housing - Project Based Vouchers**

#### **Description of Activity**

MPHA designed a Shelter to Home MTW initiative that was adopted as part of the Agency's original 2015 MTW Plan. Under this initiative, MPHA would use its Faircloth ACC authority to provide subsidy, should the agency secure capital funds to develop additional public housing.

This initiative is off to a very slow start and securing the necessary capital funds for this type of development is limited and once secured, time to develop and ready the projects could take years.

There is a critical need to bring this activity forward as soon as possible, the City-County initiative to end homelessness has made some significant progress in developing housing for homeless single adults, but is over 1,800 family units behind the targeted objective to establish permanent affordable housing for families coming

#### **MTW Authorizations:**

Attachment C -Bbii: Single Fund Budget with Full Flexibility  
Attachment C-B2: Partnerships with For-Profit and Non-Profit Entities. This authorization waives certain provisional Sections 13 and 35 of 1937 Act and 24CFR 941 Subpart F as necessary to implement the Agency's MTW Plan.

Attachment C-D. 1.a. : Operational Policies and Procedures authorizations to determine term and content of contract - This authorization waives certain provisions of Section 8(o)(7) of the 1937 Act and 24 C.F.R. 982.162 as necessary to implement the Agency's Annual MTW Plan.

C. D 2. a. and d. Rent Policies and term limits

- This authorization waives certain provisions of Sections 8(o)(1), 8(o)2, 8(o)3, 8(o)(10) and 8(o)(13)(H)-I of the 1937 Act and 24 C.F.R. 982,508,982.503 and 982.518 as necessary to implement the Agency's Annual MTW Plan.

C. D. 4 .Waiting List Policies - This authorization waives certain provisions of Sections 8(o)(6), 8(o)(13)(J) and 8(o)(16) of the 1937 Act and 24 C.F.R.982 Subpart E, 982.305 and 983 Subpart F as necessary to implement the Agency's Annual MTW Plan.

C. D 7. b. Establish a reasonable competitive process - This authorization waives certain provisions of 24 C.F.R. 983.51 as necessary to implement the Agency's Annual MTW Plan.

#### **Statutory Objectives:**

This program will feature the MTW Statutory Objective of Increasing Housing Choices as it will focus on creating an avenue for very low income families in homeless shelters to move into a specialized PBV program with services.

out of shelter. Shelters for families with children are currently overcrowded and have no place to move families with children, so they remain in shelter longer and block other needy families with children from being housed.

MPHA submitted an Amendment to its 2015 MTW Plan that replicates but not replace its original Shelter to Home initiative. Under the Shelter to Home PBV initiative, MPHA will project base up to fifty (50) vouchers with non-profit housing providers in the City of Minneapolis. The access to this housing would be restricted to families in shelter, identified through Hennepin County's HMIS Case Management System and referred to the affordable housing provided. MPHA would engage in a Request for Proposals (RFP) for these specialized vouchers and invite affordable housing providers and developers to respond to this initiative. MPHA is using its Moving To Work (MTW) authority along with a Project Base Voucher strategy to create a specialized housing program for families coming out of Homeless Shelters and to limit the time families can utilize this housing for no more than five years to ensure that these developments will turn over and become an on-going resource for homeless families.

### **Anticipated Impact**

MPHA anticipates that this program will create 50 units in the first two years of the program and begin to bring almost immediate relief to families who are stuck in shelter to due lack of other affordable housing and in doing will also free up shelter space for other families relegated to be housed in overcrowded, unsafe and/or unhealthy situations. Families targeted for the program will receive ongoing services from Hennepin County, RFP Responders and/or their services partners. RFP responders will be required to reserve the project based units exclusively for families coming out of shelter, develop a family services plan that will support the family in finding alternative housing within five years and hold the units as an ongoing resource for homeless families.

### **Anticipated Schedule**

MPHA anticipates that an RFP will be issued prior to the end of 2015 and as PBVs and be assigned to existing units, that by the winter of 2015 -16 more than half of the units can be assigned. MPHA also anticipates that developers creating new units will also be interested in this initiative, that the remaining units will be project based over the next two years.

**Metrics (Baselines and Benchmarks)**

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

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>2015-16 Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved</b>
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). Families coming out of homeless shelters.	0 - No housing units of this type existed prior to implementation.	50		

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

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>2015-16 Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity.	0	50		

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

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>2015-16 Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved</b>
Number of households receiving services aimed to increase housing choice (increase).	0 - Households receiving this type of service prior to implementation.	50		

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

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>2015-2016 Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved</b>
Average annual income for households affected by this policy (increase).	.TBD	TBD		

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

*Report the Baseline, Benchmark and Outcome data for each type of employment status for those head(s) of households affected by the self-sufficiency activity.*

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>2015-2016 Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Report the following information separately for each category: (1) Employed Full- Time (2) Employed Part- Time (3) Enrolled in an Educational Program (4) Enrolled in Job Training Program (5) Unemployed (6) Other	TBD	TBD		

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

Unit of Measurement	Baseline	2015-2016 Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	TBD	TBD		

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

Unit of Measurement	Baseline	2015-2016 Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self sufficiency (increase).	0	50		

\*Initiative definition of Self Sufficiency

*Family successfully moves from PBV Shelter unit to independent living (no longer requiring Shelter to Home PBV subsidy)*

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

Unit of Measurement	Baseline	2015-2016 Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	TBD	TBD		

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

Unit of Measurement	Baseline	2015-2016 Benchmark	Outcome	Benchmark Achieved?
PHA rental revenue in dollars (increase)	TBD	TBD		

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

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>2015-2016 Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self sufficiency (increase).* The PHA may create one or more definitions for "self sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided.	TBD	TBD	TBD	TBD

## FY2016 ACTIVITY 2: Reintegration of Offenders (Prison to Home)

### Description of Activity

This program supports a partnership with Beacon, Better Futures and MPHA that provides training, employment, family unification, and housing assistance to men coming out of prison. Through this collaborative, MPHA will provide subsidy through voucher funding and Better Futures will provide housing (during the sponsor base voucher portion of the initiative), work experience, training and employment opportunities for men coming out of prison. Beacon will provide housing during the Project Base Voucher phase of the program. These organizations will also provide various 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.

Participants are selected in three ways:

- Referred to Better Futures through the Coordinated Entry process.
- MN Dept. of Corrections identifies applicants at least 30 days before they are released from prison.
- Walk-in applicants, either self-referred or referred from other community resources.

Participant portion of rent is determined in 3 phases:

- In phases 1 and 2 the participant will be living in the Better Future's guest house where 32 of MPHA's vouchers will be utilized. For the first month the participants pay nothing and are introduced to their jobs in the warehouse. After the first month the participants will pay \$100 a month for rent in \$25 weekly installments. When the participant reaches Phase 3, they will move out of the guest house and into a market rate unit that is operated by a community partner of Better Futures. In these units the participant pays 30% of their income towards rent.
- MPHA pays a flat subsidy to Better Futures to cover costs of housing and services for each sponsor based participant in the program.

A permanent site for this new development has already been identified in the North Loop area of Minneapolis. It has neighborhood and city council member support. However, funding for the development is still in progress. MPHA will use its MTW authorizations under the "broader uses of funds authorization" which HUD has approved to provide forty (40) sponsor-based vouchers awarded as 'soft subsidy' which would be administered through the partnership between Better Futures and Beacon on behalf of the men. As Beacon and Better Futures move to the construction phase of

#### **MTW Authorization:**

The authorization utilizes the authority allowed in the amendment to Attachment D "broader uses of funds authorization" which HUD has approved.

Attachment C D 1 related to Section 8 HCV only - Operational Policies and Procedures.

#### **Statutory Objective:**

This program will feature the MTW Statutory Objective of Increasing Housing Choices as it will focus on creating an avenue for very low income persons coming out of prison to move into a specialized housing program with services.

the development MPHA will, consistent with the competitive requirements for project basing vouchers, create an opportunity for the sponsor based voucher partners to transition to Project Based vouchers

This commitment to this transition would greatly assist in the final stages of securing additional funding for this project, as this commitment by MPHA would greatly enhance the scoring from various funders.

**Anticipated Impact**

This initiative will provide an immediate impact to up to 40 offenders coming out of prison in need supportive housing with services who would otherwise be left homeless and without services needed for successful reintegration into the community. Better Futures has an extensive training, supportive services and employment program for men coming out of prison, but lacks the critical housing support necessary to help stabilize these men’s lives. With a site for a new housing project identified and the development process committed to by Beacon, the sponsor based vouchers, will provide necessary interim support and stability until the development is completed. The eventual project basing of the vouchers will provide long term support for development and with the supportive housing programs at the site.

**Anticipated Schedule**

The Sponsor Based ‘Soft Subsidy’ Vouchers will begin shortly after approval from HUD of the MTW Amendment. This will support Better Futures supportive housing program for offenders. MPHA will enter into an Agreement with Better Futures and Beacon that will detail the funding and operational requirements of the program along with the reporting requirements that respond to the HUD metrics. The Great River Landing site acquisition occurred on 7-09-15. Additional funding commitments are expected from September 2-15 through May 2016 with construction beginning in October 2016 and occupancy in September 2017.

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

Unit of Measurement	Baseline	2015-16 Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	0 No amount leveraged prior to implementation of the activity (in dollars).	TBD	TBD	TBD

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

Unit of Measurement	Baseline	2015-16 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). Families coming out of homeless shelters.	0 - No housing units of this type existed prior to implementation.	40	TBD	TBD

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

Unit of Measurement	Baseline	2015-16 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 No households receiving this type of service prior to implementation.	40	TBD	TBD

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

Unit of Measurement	Baseline	2015-16 Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice (increase).	0 No households receiving this type of service prior to implementation.	40	TBD	TBD

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

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average annual income for families over a five year period (increase).	0 prior to implementation.	Increase of household income \$8,880.00		

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

*Report the Baseline, Benchmark and Outcome data for each type of employment status for those head(s) of households affected by the self-sufficiency activity.*

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of families with stable employment histories (increase) (1) Employed Full-Time - (2) Employed Part-Time - (3) Enrolled in an Educational Program - (4) Enrolled in Job Training Program - (5) Unemployed - (6) Other:	0	25 FTE 59 PT 90 Education 10 Job T – Voc 0 Unemployed		

**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	90		

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

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self sufficiency (increase). Self Sufficiency means: Maintained lease in own name for 90 days, engaged in addressing health and wellness needs at home, employed at least 90 days for 20 hours per week, no new offenses and no return to custody for at least 90 days Increased parenting skills, if applicable) {All met within 12 months of enrollment.	0 households transitioned to self sufficiency .	25		

## FY2016 ACTIVITY 3: Permanent Supportive Housing for Youth

### Description of Activity

The City of Minneapolis has a significant need for permanent supportive housing for homeless youth. This issue is not unique to Minneapolis; nationwide homeless youth are sleeping on the streets or in shelters that are not much safer than the streets. The most recent report from Wilder Research estimates that in Minneapolis, young people make up "nearly half of the 14,000 homeless people on any given day".

Project for Pride in Living (PPL) is working with YouthLink to build a new supportive housing community that will provide housing for forty-six (46) homeless youth, ages 18-23. MPHA has received a formal request, along with project description, from PPL for twelve (12) project-based vouchers; PPL is in the process of securing funding to develop this supportive housing.

YouthLink and PPL are skilled and successful in providing educational support, job training and other supportive service activities. MPHA is proposing to partner with them by utilizing its MTW authority to provide twelve (12) sponsor-based 'soft subsidy' vouchers to support this initiative.

#### Services:

Supportive services for the youth participants include an array of hands on staffing support including Program Supervisor, responsible for overall service delivery and outcomes; a Resident Advisor, who will live on-site and be available to troubleshoot crises that may occur outside of typical office hours; and four Case Manager/Navigators. The Case Manager/Navigators, in addition to working with young people in a traditional case management model, will help young people connect to community and Youth Opportunity Center resources based on individual aspirations and life goals, as well as helping them navigate the often-difficult system of community-based adult services such as education, employment, and independent housing.

The Youth Opportunity Center located in downtown Minneapolis will provide youth participants with additional support and services including basic needs and crisis intervention, education, employment, housing stability, and health/wellness services. The array of services available onsite at the YOC are intentionally designed to meet the individual needs of each young person at a single safe and convenient location.

#### **MTW Authorization:**

The authorization utilizes the authority allowed in the amendment to Attachment D "broader uses of funds authorization" which HUD has approved.

Attachment C D 1 related to Section 8 HCV only - Operational Policies and Procedures.

#### **Statutory Objective:**

This program will feature the MTW Statutory Objective of Increasing Housing Choices as it will focus on creating an avenue for very low income homeless youth to move into a specialized housing program with services.

### How participants are chosen:

The Youthlink/ PPL program will select the youth it serves through a multistage selection process. Potential residents will first be referred to YouthLink through the Coordinated Entry process. When the youth comes in for an interview they will fill out various forms and questionnaires to provide a variety of information about their life (past homelessness, employment, education, needs, criminal history, etc). After this process and a background check, the young person meets with the housing supervisor for the Social Services interview and Self Sufficiency assessment. The next stage of the process is filling out the necessary information federally required such as tax information, income verifications, citizenship status etc. Throughout this process the staff at the Youth Opportunity Center will assist youth applicants in any questions or issues raised about the process. When all the information is completed and turned in, the Compliance Staff will approve and sign off on the application and pass their information to the PPL Property Manager to work with the applicant to enter into a lease agreement.

### Rent and MPHA Support:

Utilizing the sponsor-based approach, MPHA would contract with PPL or YouthLink to administer the subsidy on behalf of the homeless youth. Youth will be expected to pay 30% of their incomes toward their housing and if allowable under the various funding supports a minimum rent of \$75 per month. As noted, above, YouthLink will also provide the supportive services. As PPL and YouthLink move to the construction of the development, MPHA will, consistent with the competitive requirements for project basing vouchers, create an opportunity for the sponsor based voucher partners to transition to Project Based vouchers This approach will allow MPHA to make a commitment that will enable this project to achieve higher scores in PPL and YouthLink's funding proposals.

### **Anticipated Impact**

This initiative will provide an immediate impact for 12 homeless youth in need supportive housing with services who would otherwise be left homeless and without services. YouthLink has an extensive training, education and supportive services and employment program for youth, but lacks the critical housing support necessary to help stabilize their lives. With a site for a new housing project identified and the development process committed to by PPL, the sponsor based vouchers, will provide necessary interim support and stability until the development is completed. The eventual project basing of the vouchers will provide long term support for development and with the supportive housing programs at the site. Including the 12 vouchers provided by MPHA, the partnership between PPL and YouthLink will provide supportive housing for 46 homeless youth.

### **Anticipated Schedule**

The Sponsor Based 'Soft Subsidy' Vouchers will begin shortly after approval from HUD of the MTW Amendment. This will support YouthLinks supportive housing program for homeless youth . MPHA will enter into an Agreement with PPL and YouthLink that will detail the funding and operational requirements of the program along with the reporting requirements that respond to the HUD metrics.

**Metrics (Baselines and Benchmarks)**

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

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>2015-16 Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Amount of funds leveraged in dollars (increase).	0 No amount leveraged prior to implementation of the activity (in dollars).	TBD		

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

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>2015-16 Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved</b>
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). Homeless Youth.	0 - No housing units of this type existed prior to implementation.	12		

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

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>2015-16 Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 No households receiving this type of service prior to implementation.	12		

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

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>2015-16 Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase housing choice (increase).	0 No households receiving this type of service prior to implementation.	12		

<i>SS #1: Increase in Household Income</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>2015-2016 Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy (increase).	0 prior to implementation.	Increase of household income \$8,320.00		

<i>SS #2: Increase in Household Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>2015-2016 Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average amount of savings/escrow of households affected by this policy (increase).	0 prior to implementation.	\$250		

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

*Report the Baseline, Benchmark and Outcome data for each type of employment status for those head(s) of households affected by the self-sufficiency activity.*

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>2015-2016 Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of families with stable employment histories (increase) (1) Employed Full-Time - (2) Employed Part-Time - (3) Enrolled in an Educational Program - (4) Enrolled in Job Training Program - (5) Unemployed - (6) Other:	0	2 FTE 9 PT 8 Education 2 Job T – Voc 3 Unemployed 2 Other		

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

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>2015-2016 Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase self sufficiency (increase).	0	13		

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

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>2015-2016 Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self sufficiency (increase). Self Sufficiency means: Youth on an education or employment trajectory and able to afford safe and decent housing upon exit from program.	0 households transitioned to self sufficiency .	2		

## SECTION IV: APPROVED MTW ACTIVITIES: HUD APPROVAL PREVIOUSLY GRANTED

### IMPLEMENTED ACTIVITIES

#### FY2014 ACTIVITY 1: HCV RENT REFORM INITIATIVE

##### Description of Activity (Approved and Implemented in 2014)

In early 2012, MPHA began evaluating options for streamlining and simplifying the rental subsidy determination and recertification processes while also promoting self-sufficiency for HCV participants. This activity was implemented in January 2014. The initial goal of rent reform was to control costs and eventually achieve savings that would allow us to move families from our waitlist. However, with the advent of sequestration the focus shifted to maintaining assistance for all current families within a severely decreased budget. The following are the proposed elements of MPHA's revised HCV rent reform initiative.

- 1. Flat Subsidy:** MPHA replaced the standard rent calculation method, regulated by 24 CFR 982.503 and 982.518, with a simplified, flat subsidy model which incorporates consideration for tenant paid utilities. MPHA will determine the subsidy paid to the owner on behalf of the family by using a flat subsidy amount based on household income and bedroom size. In instances where the applicable subsidy is greater than the contract rent, MPHA will cap the subsidy at the contract rent amount, minus the minimum rent of \$75.

MPHA will establish, annually review, and periodically update two flat subsidy tables. One table is used when the owner

##### **MTW Authorizations:**

Attachment C–D1 c. The Agency is authorized to define, adopt and implement a re-examination program that differs from the re-examination program currently mandated in the 1937 Act and its implementing regulations.

Regulations waived: 982.516

Attachment C–D1.g The Agency is authorized to establish its own portability policies with other MTW and non-MTW housing authorities.

Regulations waived: 982 Subpart H

Attachment C–D2 a. The Agency is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the currently mandated program requirements.

Regulations waived: 982.503, 982.508, 982.518

Attachment C–D2 c. The Agency is authorized to develop a local process to determine reasonable rent that differs from the currently mandated program requirements.

Regulations waived: 982.507

Attachment C–D3 b. The Agency is authorized to adopt and implement any reasonable policy for verifying family income and composition and for determining resident eligibility that differ from the currently mandated program requirements.

Regulations waived: 982.516, 982 Subpart E

Other regulations waived: 24 CFR 5.520(c)(2)

##### **Statutory Objectives:**

- Reduce cost and achieve greater cost effectiveness in Federal expenditures
- Give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.

provides heat as part of the rent. The other table is used when the household is responsible for paying heat and includes an adjustment based on average heat costs. Under the flat subsidy model, utility allowance payments are eliminated.

2. **Minimum Rent:** As part of the flat subsidy model, MPHA revised the application of minimum rent policies, regulated by 24 CFR 5.630 and discontinued its MTW Activity 2010-2 for the Housing Choice Voucher program. When establishing and updating the flat subsidy tables, MPHA will structure the minimum rent, which is currently \$75, into the tables. If a participant's calculated rent amount is less than the minimum rent amount, the participant shall pay the minimum rent to the owner. MPHA has the discretion to revise the minimum rent. If MPHA would like to revise the minimum rent, the revision would be included in an MTW Plan submission to HUD for review and approval prior to implementation. As of January 1, 2015, all Project Based units are exempt from a minimum rent requirement.
3. **40% Affordability Cap:** MPHA eliminated the 40% affordability cap, regulated by 24 CFR 982.508, 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% of their monthly adjusted income without supervisory review and approval.
4. **Revised Asset Income Calculation and Verification Policies:** MPHA revised existing policies on asset verification and calculation, regulated by 24 CFR 982.516. When the market value of a family's asset(s) is below the established asset threshold, initially set at \$50,000, 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. MPHA will allow HCV households to self-certify assets in all instances when the market value of the household's total assets is below the established threshold. At the time of implementation, MPHA will determine the passbook savings rate consistent with HUD requirements.
5. **Interim Re-examinations:** MPHA will make the following changes to the interim re-examination policy, regulated by 24 CFR 982.516:
  - a. MPHA will limit HCV families to one discretionary interim re-examination between regular annual recertifications.
  - b. Between annual recertifications, household members who are employed will not be required to report increases in earned income.
  - c. For household members who are not employed, if they become employed that must be reported. Additionally, increases in or new sources of unearned income for any household member and changes in household composition must still be reported.
6. **Working Family Incentive and Streamlined Deductions and Exclusions:** As part of MPHA's revisions to the standard rent calculation method, MPHA will streamline deductions and exclusions as outlined below.
  - a. **Working Family Incentive:** MPHA will continue to administer the Working Family Incentive, which is a 15% exclusion of earned income for families with minor children.
  - b. **Elimination of Earned Income Disregard (EID):** MPHA will phase out the MTW EID initiative. Participants who currently receive the EID will be exempt from this policy for the duration of their EID term; however, no additional EIDs will be granted. Accordingly, MTW

Activity 2012-2 will phase out when all current participants' EID terms expire.

- c. **Eliminate Childcare, Medical Expense and Dependent Deductions:** MPHA will eliminate childcare, medical expenses, and dependent deductions when calculating adjusted income.
  - d. **Elderly/Disabled Deduction:** To offset the impact of removing medical expense deductions, MPHA will increase the standard elderly/disabled deduction from \$400 to \$750.
  - e. **Full-time Student Income:** MPHA will exclude 100% of income for adult, full-time students, other than the head of household, co-head or spouse.
7. **Changes in Fair Market Rents (FMRs):** MPHA will review HUD's Fair Market Rents annually and may conduct a research and market analysis on local rents in updating the subsidy tables.

MPHA will waive the requirement, outlined in 24 CFR 982.507, that the agency conduct reasonable rent determinations on all HCV units when there is a 5% decrease in the FMR in effect 60 days before the contract anniversary as compared with the FMR in effect one year before the contract anniversary. MPHA will continue to conduct reasonable rent determinations at the time of initial lease-up, at the time of owner rent increases, and at all other times deemed appropriate by MPHA.

8. **Flat Subsidy Reasonable Accommodation:** As a reasonable accommodation for individuals with qualifying disabilities, MPHA may provide a higher subsidy for accessible units. When an accessible unit is needed for an individual with disabilities and the rent is reasonable, MPHA may increase the subsidy by 10% of the flat subsidy amount.
9. **Portability:** MPHA revised the portability policies, regulated by 24 CFR 982 Subpart H. Participants will be approved to port-out of Minneapolis only for reasons related to employment, education, safety, medical/disability, VAWA, RCAP within the Twin Cities Metro, or housing affordability. RCAP within the Twin Cities means the family will move out of Racially concentrated Areas of Poverty into non-RCAP areas within the Twin Cities area. Housing affordability means the family wishes to port to a jurisdiction in which the FMR is at least 5% less than the FMR in Minneapolis and the family's rent portion is greater than 40% of their monthly adjusted family income. Families who are denied portability have the right to request an informal hearing.
10. **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.

## Statutory Objectives

Reduce cost and achieve greater cost effectiveness in Federal expenditures: this rent reform model will help MPHA to more efficiently use Federal resources, protect current participant families from being removed from the program due to funding cuts, and subsequently may allow MPHA to serve more families.

Give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient: this activity's incorporation of the Working Family Incentive will promote increased employment among participants who are not currently working and increased earnings among participants who are working.

### **Anticipated Impacts**

With the simplification of rent calculations and the limit on interim re-examinations, this rent reform initiative will reduce the administrative burden involved in processing annual and interim re-examinations and reduce the rate of errors in calculating adjusted income and rent. The staff time saved through this initiative will allow MPHA to increase the focus upon program integrity, by monitoring zero income families and ensuring that both participants and owners are in compliance with program rules. Additionally, staff will have more time to focus upon tenant education. This education may include self-sufficiency activities, understanding lease agreements, expanding housing search, connecting to community resources, and exploring educational opportunities.

MPHA projects that this activity will promote self-sufficiency for participants by limiting the extent to which increases in income will result in corresponding rent increases. Also, the change to income reporting requirements will allow employed family members to keep any increase in their earnings, rather than contributing a portion to their rent, until the time of their annual recertification. These projected impacts will be greater when full implementation of rent reform is complete.

### **Anticipated Schedule/Changes**

Rent reform was implemented January 1, 2014 for all participants. Achievement of the MTW Statutory Objectives is an ongoing and ever-changing process, of which the Rent Reform initiative is a pivotal part.

Effective January 1, 2015, MPHA will exempt all its Project Base developments from the Rent Reform initiative and from the Agency's MTW Minimum Rent requirements. Many of these developments receive funding from other sources including SHP, HOPWA, and HOME. These and other funding sources often require that all units in the development have rents restricted to 30% of adjusted income and thus, MTW initiatives may cause these developments to be out of compliance with their other funding sources.

### **Data Sources**

MPHA will use our software to monitor the impacts of this activity on household rent and tenant income. Additionally, MPHA may use other methods of assessing the effectiveness of these activities at meeting the stated objectives. MPHA may not implement these data collection methods until the activity is fully implemented.

## MTW Authorizations

Attachment C–D1 c. The Agency is authorized to define, adopt and implement a re-examination program that differs from the re-examination program currently mandated in the 1937 Act and its implementing regulations. Regulations waived: 982.516.

Attachment C-D1.g The Agency is authorized to establish its own portability policies with other MTW and non-MTW housing authorities. Regulations waived: 982 Subpart H.

Attachment C–D2 a. The Agency is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the currently mandated program requirements. Regulations waived: 982.503, 982.508, 982.518.

Attachment C–D2 c. The Agency is authorized to develop a local process to determine reasonable rent that differs from the currently mandated program requirements. Regulations waived: 982.507.

Attachment C–D3 b. The Agency is authorized to adopt and implement any reasonable policy for verifying family income and composition and for determining resident eligibility that differ from the currently mandated program requirements. Regulations waived: 982.516, 982 Subpart E. Other regulations waived: 24 CFR 5.520(c)(2).

## Need for Cited Authorizations

The cited authorizations are needed in order to identify the regulations that MPHA will modify or waive under the Rent Reform Initiative.

## Rent Reform

- 1. Board Approval:** The MPHA Board of Commissioners approved this policy as part of the resolution adopting the 2014 MTW Annual Plan.
- 2. Impact Analysis:** In developing this initiative, MPHA conducted and presented to its Board a thorough analysis on the potential impacts of this activity on HCV households. The effects of these policies will differ between families. MPHA created hardship policies, as described below, for qualifying families who are adversely affected by the implementation of the initiative.
- 3. Annual Reevaluation:** MPHA will reevaluate this activity on an annual basis to ensure that it continues to meet its objectives. As needed, MPHA may revise components of this activity to meet the objectives. The results of the annual reevaluation will be included in subsequent MTW Annual Plans & Reports.

**4. Hardship Case Criteria:** MPHA has established hardship policies related to rent reform, including a Hardship Review Committee, comprised of HCV staff, which will review all hardship requests. Details on each hardship policy are outlined below.

**a. Limit on Interim Re-examinations Waiver**

MPHA will advise families who request a second interim re-examination between regular reexaminations that they can request a waiver of the Limit on Interim Re-examinations policy.

A hardship exists when any of the following apply:

- i. The family has lost eligibility for or is awaiting an eligibility determination for a Federal, State, or local assistance program
- ii. The income of the family has decreased because of a significant change in circumstance, including loss of employment
- iii. The death of a family member has occurred affecting a major source of income for the family

**b. Minimum Rent Hardship**

MPHA will advise families who are paying minimum rent that they can request a hardship exemption from paying minimum rent. To qualify for a hardship exemption, a family must submit the Minimum Rent Hardship Request Form, with supporting documentation as specified on the form, within 15 days of the date of the rent change notice. A hardship that lasts for 90 days or less is a temporary hardship and does not qualify for this exemption. An approved hardship exemption from paying minimum rent is limited to 12 months.

A hardship exists when any of the following apply:

- i. The family has lost eligibility for or is awaiting an eligibility determination for a Federal, State, or local assistance program
- ii. The income of the family has decreased because of a significant change in circumstance, including loss of employment
- iii. The death of a family member has occurred affecting a major source of income for the family

The Hardship Review Committee will make a decision within 30 days of receiving the Minimum Rent Hardship Request Form and all supporting documentation. MPHA will suspend the Minimum Rent beginning the month following the approval of the request.

Prior to implementation, MPHA may continue to develop specific policies and procedures for hardship requests and may make future revisions to identify and assist families adversely impacted by these policies.

## FY 2011 – Activity 1 Targeted Project Base Initiative

### Description (Approved in 2011 and phased in implementation with last two projects to be implemented in 2014.)

The Targeted Project Based Initiative was approved in 2011. The first phase of implementation, project basing six (6) HCV vouchers and eleven (11) VASH vouchers at Emanuel Housing as well as five (5) HCV vouchers at Spirit on Lake, was completed in 2013. The second phase of implementation included the completion of fifteen (15) HCV vouchers at South Quarter Phase IV, four (4) HCV vouchers at The Lonoke, was completed in 2015. The final phase was for ten (10) HCV vouchers at Emerson North Family Housing.

The purpose of this initiative is to create additional affordable housing for low-income families in the City of Minneapolis. MPHA used the MTW waiver to expand the location of project-based voucher programs and to limit voucher awards relative to a proration impact that required creation of additional non-PBV affordable housing. These vouchers were awarded to programs and organizations that proposed developments where there is a high ratio of new affordable units to those subsidized through MPHA's project-based initiative.

Through this initiative, project-basing thirty (30) HCV vouchers and eleven (11) VASH vouchers will leverage 226 unassisted units for a grand total of 267 units of new housing. MPHA has not allocated any funding for the development of the units; the monies MPHA allocated are for voucher assistance when a qualified participant is residing in the PBV unit.

Project	Project-Based Units	Unassisted Units	Total Units
<b>Emanuel Housing</b>	6 HCV 11 VASH	84	101
<b>Spirit on Lake</b>	5	41	46
<b>South Quarter Phase IV</b>	15	86	101
<b>The Lonoke</b>	4	15	19
<b>TOTAL</b>	<b>41</b>	<b>226</b>	<b>267</b>

### Update

Construction was completed, HAP contracts were signed for two projects and the units were fully occupied during 2013; Emanuel Housing and Spirit on Lake. The HAP contract for Emanuel was effective August 15, 2013. The six (6) Project Based units were fully occupied in September 2013. The HAP contract for Spirit on Lake was effective September 15, 2013. The five (5) Project Based units were fully occupied in September

**MTW Authorization:** This provision waives certain provisions of Attachment C Section D 7 b 24C.F.R. 983.51; Section D 7 c; 24C.F.R. 983.57; and Section D 7 d. Section 8(o)(8) of the 1937 Act and 24C.F.R. 982 Subpart I

**Statutory Objective:**

Increases housing choices

2013. MPHA erroneously removed the Lonoke project that included four (4) PDV units in the 2014 plan and is reestablishing this project in the 2015 MTW Plan. This change increases the total PBV vouchers awarded to thirty (30)) and creates 267 new affordable housing units, which includes the PBV units. The Subsidy Layering Review (SLR) for Lonoke and South Quarter Phase IV were submitted to Minnesota Housing Finance Agency (MHFA) and HUD for review and approval in July of 2014.

MPHA was notified on December 7, 2015 that Beacon's (Families Moving Forward) Board voted on June 10, 2015 to remove Emerson North as an active project from their project pipeline and release the 10 Section 8 PBA that had been awarded from MPHA to the project.

MPHA's targeted project based initiative created a total of 267 units, which include the 30 PBV units. The total number of units without housing assistance that MPHA leveraged using the 30 project based vouchers is 237.

## **FY2011 - Activity 2: Soft Subsidy Initiative that Increases Housing and Promotes Self-Sufficiency**

### **Description (Approved in 2011 and implemented in 2013)**

MPHA entered into an agreement with Alliance Community Housing with set subsidies for special conditions that are also time limited and flexible in amount and duration (lasting up to five years). These subsidies are structured to incentivize work so that the household is better off financially if the parent works and not penalized if they work. While it is difficult for many parents to move to work and then to better-paying work, parents who do move to work show increasing self-esteem and pride, find their work a source of meaning and support, and an activity that instills structure which is good for their kids and introduces the family to a working (or middle class) life. Studies show that parents who work are good for their children: children from families where the parent works do better in school. This program will not involve reduction in the number of Section 8 Voucher but will be funded out of MTW flexible funds. MPHA will enter into an Agreement with Alliance Community Housing that will detail the terms and conditions of this initiative.

Alliance Community Housing provided high quality housing to 20 homeless or formerly homeless families in 2012. Most of these families are multi generationally poor, African American, single parents with little to no work history. Many have little education, poor rental history and some have criminal histories. The program's goal is to get the parents off government assistance and into the working class.

The subsidies provided under this initiative are structured to make work more attractive and less risky. The intensive staff contact provided through Alliance Community Housing with families helps them with logistical problems as well as questions and concerns that might lead them to give up if unaddressed.

### **Update**

MPHA has made changes to this implemented activity in regards to the Statutory Objectives. The primary focus is self sufficiency as evidenced by our current metrics; therefore, we are removing the metric of expanding housing choice, which was erroneously placed in the plan. In 2013, MPHA executed the agreement with Alliance Community Housing for the Soft Subsidy Initiative. The intake process for families began in 2013; nineteen (19) families were active as of January 2014. All 20 available spaces are filled by active families.

#### **MTW Authorization:**

The authorization utilizes the authority allowed in the amendment to Attachment D "broader uses of funds authorization" which HUD has approved.

#### **Statutory Objective:**

Self Sufficiency.

### **FY2011 – Activity 3: Absence from Unit Initiative (Amendment to the FY2011 Plan)**

#### **Description (Approved and implemented in 2011)**

HUD approved the Absence from Unit Initiative as an amendment to MPHA’s 2011 MTW Plan. This initiative disallows a rent reduction for residents who have a temporary loss of income related to an extended absence from the unit defined as 30 days or more. For example, a tenant may quit a job to be away from the unit or have their government benefits terminated because of travel outside of the country. This voluntary action would have resulted in a loss of income and consequently, a reduction in rent. MPHA believes such voluntary action should not result in increased Federal expenditures to support this family.

#### **Update**

The activity was fully implemented in the Public Housing program in June of 2011. MPHA has adopted policy changes and provided notice and communication to Public Housing residents regarding this initiative. MPHA has created a hardship exemption and will continue this initiative in 2016. MPHA continues to find that some residents are not reporting their absence from the unit since the rent will not be reduced and the MPHA lease limits the time a resident may be away from the unit to 90 days.

This activity was never implemented in the Section 8 HCV Program. Given the limitations on rent re-certifications in the Rent Reform, MPHA has evaluated this initiative and has determined it extraneous for its HCV Program.

#### **MTW Authorization:**

MTW Amended and Restated Agreement – Attachment C [C11 – Authorizations related to public housing only – Rent Policies and Term Limits]. This authorization waives certain provisions of Sections 3, 6, 7, 16 and 31 of the 1937 Act and 24 C.F.R. 945 Subpart C, 960 Subparts B, D, E, and G as necessary to implement the Agency’s Annual MTW Plan and [D2 – Authorizations related to Section 8 only – Rent Policies and Term Limits]. This authorization waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. § 982.508, §982.503 and §982.518 as necessary to implement the Agency’s Annual MTW Plan.

#### **Statutory Objective:**

Reduce cost and achieve greater cost effectiveness in federal expenditures.

## FY2010 – Activity 1: Public Housing Working Family Incentive

### Description (Approved and implemented in 2011)

The MPHA Public Housing implemented a Working Family Incentive in an effort to increase the income and asset level of families in which any adult member is employed. The rent calculation contains an automatic fifteen (15) percent deduction from the gross annual earned income of each wage earner in the family. This deduction provides the Working Family with available money to support work related costs, including but not limited to transportation, uniforms, and health insurance premiums.

MPHA believes this initiative promotes self-sufficiency. We expect to see an increase in income to those employed and provide a push to those unemployed, yet able to work, to seek employment. This initiative is automatically available to all public housing residents who work.

### Update

MPHA has had mixed results with this initiative over the past few years. During 2014, the average income of those employed increased, the number of households employed also increased. At the end of 2014, there were 1,387 public housing households with earned income, a n increase of 2.8% over 2013, while the average earned income of those households increased to \$20,787. MPHA had no requests for hardship under this initiative in 2014 or 2015 to date.

For those families who continued work, this activity increased the Working Family's level of disposable income and enhanced the likelihood that the family would achieve a livable wage and move toward self-sufficiency.

There was a financial impact on the low-rent program for 2014 because the change in calculation results in changes to the amount of rent paid; due to a proration in subsidy, MPHA will experience a loss of revenue. MPHA will report on the 2015 impact in the 2015 MTW Report.

MPHA will continue this activity in 2016 for public housing residents.

MPHA is not using outside evaluators for this activity. MPHA does not anticipate a need to employ additional authorizations to continue initiatives under this section.

### MTW Authorization:

MTW Amended and Restated Agreement – Attachment C [C11 – Authorizations related to public housing only - Rent Policies and Term Limits]; This authorization waives certain provisions of Sections 3, 6, 7, 16 and 31 of the 1937 Act and 24 CFR 945 Subpart C, 960 Subparts B, D, E and G as necessary to implement the Agency's Annual MTW Plan and [ D2 – Authorizations related to Section 8 only – Rent Policies and Term Limits] This authorization waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 CFR 982.508, 982.503 and 982.518 as necessary to implement the Agency's Annual MTW Plan.

### Statutory Objective:

Provide incentives to families to obtain employment and become economically self-sufficient.

## FY2010 – Activity 2: Minimum Rent Initiative for Public Housing Residents

### Description (Approved in 2010 and implemented in public housing in 2011)

Tenants moving into public housing will pay the minimum rent that is in effect at the time of lease up. This initiative would increase the minimum rent of existing public housing tenants at the first annual or interim re-exam following:

January 1, 2010	\$75.00
January 1, 2014	\$75.00
To Be Determined	\$100.00
To Be Determined	\$125.00
To Be Determined	\$150.00

This would not apply to households in which all members are either elderly and/or disabled, and whose sole source of income is Social Security, SSI or other fixed annuity pensions or retirement plans. Those households would continue to pay 30% of their adjusted gross income.

### Update

MPHA's Public Housing Low Rent Program implemented the minimum rent initiative in 2011. The current minimum rents \$75 per month. MPHA is not currently considering an increase to the minimum rent. Resident feedback demonstrates that an increase would create undue hardship for many residents. MPHA will decide at a future date when to increase the minimum rent further. MPHA has determined that the increase in the minimum rent has not resulted in increased self-sufficiency and has deleted it from the Statutory Objectives. When MPHA decides to increase the minimum rent, residents will be notified and given the required period to comment. This will be done during the MTW Plan review.

MPHA continues its hardship exemption program in Low Rent Public Housing.

MPHA is not using outside evaluators for this activity. MPHA does not anticipate a need to employ additional authorizations to continue initiatives under this section.

### MTW Authorization:

MTW Amended and Restated Agreement – Attachment C [C11 – Authorizations related to public housing only - Rent Policies and Term Limits]; This authorization waives certain provisions of Sections 3, 6, 7, 16 and 31 of the 1937 Act and 24 CFR 945 Subpart C, 960 Subparts B, D, E and G as necessary to implement the Agency's Annual MTW Plan and [ D2 –

### Statutory Objective:

Reduce cost and achieve greater cost effectiveness in federal expenditures.

**Metrics, Baselines and Benchmarks**

<b><i>CE #5: Increase in Agency Rental Revenue</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>2016 Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Rental revenue in dollars (increase).	Rental revenue prior to implementation of the activity - \$221,400	Expected rental revenue after implementation of the activity - \$600,000		

The benchmark was changed in 2015 to better reflect MPHA's experience, the previous benchmark was \$325,800 and MPHA's result was more than double that amount.

The previous benchmark was developed before HUD informed MTW agencies that benchmarks should be identified annually. The \$600,000 is MPHA's benchmark for 2016.

## **FY2010 – Activity 4: MPHA Rent-to-Own Initiative (Sumner Field Townhomes)**

**Description:** (Approved in 2010 and phased in implementation 2012-2014).

MPHA utilized funds from its ARRA Formula Grant, to purchase twenty (20) townhome development units to create a Rent-to-Own Initiative where qualified public housing residents, Section 8 participants, families on both waiting lists as well as, MPHA and City of Minneapolis employees who qualify for public housing will have an opportunity to initially rent and subsequently purchase these units. This activity was initially referred to as ‘The BrightKeys’ after BrightKeys Development; however, the developments are legally named Sumner Field Townhomes.

### **Update**

MPHA has eighteen (18) of its twenty (20) units under lease and expects to have all twenty units under lease in 2016. All new Rent-to-Own tenants are required to participate in MPHA’s MTW savings match program and must work with the agency’s Lease To Own staff to develop a specific plan to purchase their unit within the five-year timeframe called for in the MPHA’s MTW Rent-To-Own initiative.

MPHA is in the process of partnering with a local housing development and counseling firm to work with the Agency to identify lenders and work with LTO program participants to receiving counseling assistance. This firm will also provide MPHA with referrals from their clients who may be eligible for the LTO program.

Vacancies arising due to tenant inability to meet Rent-To-Own requirements, are filled with apparently eligible applicants from MPHA's site-based waiting list. MPHA will continue this initiative until all units are purchased by participating families.

### **MTW Authorization:**

MTW Amended and Restated Agreement – Attachment C [ C1 – Site Based Waiting List; C7 a and b – Simplification of the Development and Redevelopment Process for Public Housing . . . “establish reasonable low-income homeownership programs such as lease-to-own . . .”This authorization waives certain provisions of Section 6(r) of the 1937 Act and 24CFR 903.7 and certain provisions of Section 6(c) of the 1937 Act and 24 CFR 960.201 as necessary to implement the Agency’s Annual MTW Plan

### **Statutory Objective:**

Provide incentives to families to obtain and keep employment and become economically self-sufficient and increase housing choices.

**FY2010 – Activity 5: Foreclosure Stabilization Project Based Voucher Demonstration Program**

**Description of Activity (Approved in 2010 and phased in implementation through 2012).**

The Foreclosure Stabilization Initiative allows MPHA to expand and increase housing choices and secure operational stability for a program developed by Project for Pride in Living (PPL) to purchase, rehab and rent out units that had been subject to foreclosure.

Applicants for participation in this program will be recommended by PPL pursuant to the funding requirements under PPL’s CDBG and ARRA funds with priority going to referrals that are also on MPHA’s Section 8 HCV waiting list. MPHA’s Section 8 HCV waiting list will have a ‘remains open’ clause for specific referrals for this program

**Update**

All twenty-one (21) units remained occupied in 2014. It is expected that all units will remain occupied and remain active in 2016 as a preserved unit of affordable housing. In 2013, MPHA won a NAHRO Award of Merit for implementing this program.

MPHA is not using outside evaluators for this activity. MPHA does not anticipate a need to employ additional authorizations to continue initiatives under this section.

**MTW Authorization:**

MTW Amended and Restated Agreement – Attachment C: D Authorizations related to Section 8 housing choice vouchers only; 7 b and c : These authorizations waive certain provisions of 24CFR 983.51 as necessary to implement the Agency’s Annual MTW Plan and Site selection standards set forth in 24CFR Section 1983.57

**Statutory Objective:**

Increase Housing Choices: This will enable very low income families who are at risk of homelessness to secure housing and also help achieve greater cost effectiveness in federal expenditures by helping to secure the investments of the Federal NSP program expenditures and providing a stable operating fund for the purchased and rehabbed developments.

## **FY2009 – Activity 1: Block Grant and Fungible Use of MPHA Resources**

Per HUD direction, this Activity is addressed in Section VII: Sources and Uses of Funding.

## **FY2009 - Activity 2: Recertify Elderly or Disabled Public Housing Resident Families Once Every Three Years Instead of Annually**

### **Description of Activity (Approved in 2009 and phased in implementation through 2012)**

MPHA certifies families who are elderly or disabled and who are on a fixed income every three years instead of annually. This saves time and effort for these residents and helps MPHA to more effectively target its resources.

This measure reduces costs and enables MPHA to focus staff resources on other critical needs. After implementation, many elderly and disabled residents have favorably commented on this initiative. MPHA is utilizing EIV to assist with monitoring incomes and outcome metrics for this initiative.

### **Update**

MPHA phased this in over a three-year period and it is now fully implemented. MPHA recertifies residents every three years according to a schedule that allows one-third of impacted residents to be recertified every year. It is estimated that 3,300 residents will benefit from this MTW activity.

This activity has reduced the number of annuals done per Eligibility Technician (ET) allowing the ET's to follow up on long-term minimum renters and MPHA's high number of interim recertification requests. MPHA will continue this initiative in 2016.

### **MTW Authorization:**

Initial, Annual and Interim Income Review Process: Provided in Attachment C Section C 4. This Section waives certain provisions of Sections 3(a) (l) and 3 (a) (2) of the 1937 Act and 24 C.F.R. 966.4 and 960.257, as necessary to implement the Agency's Annual MTW Plan.

### **Statutory Objective:**

Reduce costs and achieve greater cost effectiveness. MPHA anticipated 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.

## **FY2009 – Activity 4: (Rent Reform) Public Housing Two Year Income Disregard**

### **Description of Activity (Approved in 2009 and implemented in 2010).**

Federal regulations allow certain families 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 full two year income disregard for eligible families, which eliminated the administrative hardship and time consuming monitoring.

This MTW initiative enables MPHA to reduce costs and achieve greater cost effectiveness. In addition, it provides an incentive for families to maintain employment because the program is limited to two years. By maintaining employment, they receive a full disregard for two years instead of the full disregard for one year and a 50% disregard for the second year.

MPHA has adopted changes to the ACOP and implemented this initiative. MPHA estimates that 200 families will take advantage of this program. MPHA will track the families on this program and after two years evaluate its success. MPHA is utilizing EIV to assist with monitoring incomes and outcome metrics for this initiative.

### **Update**

Staff reports that this has greatly streamlined and simplified the Earned Income Disregard (EID). Residents understand and are able to follow this program better. This program has had more limited participation than initially estimated due to the economic crisis that denied residents the opportunity to secure employment and take advantage of this program. With unemployment low, 2015 should have an increase in residents taking advantage of the disregard. MPHA intends to continue this program in 2016.

### **MTW Authorization:**

Rent Policies and Term Limits: Provided in Attachment C Section C 11. This Section waives certain provisions of Sections 3(a)(2) and 3 (a) (3)(A) and Section 6(1) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.632, 5.634 and 960.255 and 966 Subpart A, as necessary to implement the Agency's Annual MTW Plan.

### **Statutory Objective:**

Reduce costs and achieve greater costs effectiveness and gives incentives to families to obtain employment. Allows MPHA to reduce costs and focus staff resources on other agency needs. Gives families incentive to work by disregarding the incremental earnings of qualified families.

## FY2009 – Activity 6 (Amendment): Section 8 HCV Mobility Voucher Program

### **Description of Activity (Approved in 2009 and implemented in 2010).**

MPHA created a Mobility Voucher program to encourage low-income families to move to communities of greater opportunity that are not impacted by poverty or race 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. The program was structured to increase housing choices for families on the MPHA Section 8 Waiting List and current program participants who lived in areas concentrated by poverty and who were willing to move into non-concentrated areas. MPHA has created an appendix to its Section 8 Administrative Plan that details the specific elements of this initiative.

On January 1, 2012, due to severe budget constraints, the Minneapolis Public Housing Authority's (MPHA) Housing Choice Voucher (HCV) Program placed a hold on all new admissions to the program from the Waiting List; which included new admissions to the Mobility Voucher Program. Limiting admission to current HCV participants proved futile - the incentives to provide \$1,000.00 moving costs to Mobility admission families and the establishment of escrow accounts for those families were incentives that could not be implemented as funding sources continued to diminish. The result was that there was no incentive in place to encourage families to enter into a more restrictive Mobility Voucher Program (MVP) contract that required families to reside in approved communities in the City of Minneapolis for a minimum of three (3) years, or face loss of the voucher assistance. In January, 2014 with the advent of Rent Reform, MVP participants faced even greater challenges in locating and maintaining affordable units in areas of Minneapolis that were not concentrated by poverty. The HCV Program realized it was time to revise and revitalize the Mobility Voucher Program.

In early 2014, we began to access our current Waiting List in an effort to increase utilization of Mobility vouchers. It is a time consuming process, due to the specific eligibility criteria for applicants; the applicant must have minor children, be employed, enrolled in a job-training program or an educational institution and currently living in an area impacted by poverty and willing to move to a community greater opportunity. Out of the first sixty (60) applicants selected for the Mobility Program, we were only able to issue five (5) Mobility vouchers. It was time for change. Anticipated changes include: 1) Create more housing opportunity by expanding the housing search area to include the seven county metropolitan area; however, the unit must still be determined to be located in an area not impacted by poverty. 2) The Mobility Coordinator will take a more active role in providing assistance with the housing search, the review of lease agreements and the role of liaison between property owner and participant family.

### **MTW Authorization:**

Waiting List Policies: Provided in Attachment C Section D4. This Section waives certain provisions of Sections 8(o)(6,8(o)(13) and 8 (o) (16) of the 1937 Act and 24 C.F.R. 982

Subpart E, 982.305 and 983 Subpart F, as necessary to implement the Agency's Annual MTW Plan.

### **Statutory Objective:**

Increase housing choices. Provides incentive for waiting list families and current Section 8 participants to move into non-poverty concentrated areas.

In July of 2014, the HCV Program sent informational flyers to the first 500 applicants on the Waiting List, inviting eligible applicants to contact us to schedule intake appointments for determination of admission to the Mobility Voucher Program.

In Fiscal year 2015, we not only had difficulty enrolling families for the Mobility Program, 40% of the original Mobility Participants who completed their three-year contract, elected to move back to racially concentrated areas of poverty.

### **Anticipated Changes**

For 2016, we are seeking a consultant who has more experience in the area of Mobility Counseling to help us recreate a Mobility Program that will affirmatively further fair housing through expanded choice and mobility.

## NOT YET IMPLEMENTED ACTIVITIES

### **FY2015 ACTIVITY 1: Shelter to Housing - Public Housing**

#### **Description of Activity (Approved in 2015 - Implementation Pending)**

Minneapolis and Hennepin County are seven years into the ten-year plan to end homelessness. Partner Agencies are working to meet specific housing goals of creating 5,000 housing opportunities. While the partnerships have exceeded the goals for housing opportunities for single adults, we are far behind on our development of units for families. The community has developed less than half of the goal for family housing opportunities, leaving a deficit of over 700 units. Family emergency shelters in Hennepin County have been operating over capacity since April 2011. In 2013 alone, 1,946 families sought refuge in the shelter system. Developing rental housing for extremely low-income families (30%-and below Area Median Income) has become incredibly challenging for a variety of reasons and developers have been unable to successfully build these units. It is imperative that we take every opportunity to increase brick and mortar housing for extremely low income families.

Under HUD's Faircloth limit, Minneapolis Public Housing Authority (MPHA) has the authority to operate 112 additional public housing units over its current stock receiving additional subsidy to support families to be housed in these units.

MPHA is using its Moving To Work (MTW) authority along with Faircloth ACC to create a specialized housing program for families coming out of Homeless Shelters and to limit the time families can utilize this housing for no more than five years to ensure that these developments will turn over and become an on-going resource for homeless families.

#### **MTW Authorizations:**

Attachment C -Bbii: Single Fund Budget with Full Flexibility. Acquisition, new construction, reconstruction or substantial rehabilitation.

Attachment C-B2: Partnerships with For-Profit and Non-Profit Entities. This authorization waives certain provisional Sections 13 and 35 of 1937 Act and 24CFR 941 Subpart F as necessary to implement the Agency's MTW Plan.

Attachment C-C2: Local Preference and Admission and Continued Occupancy Policies and Procedures. This authorization waives certain provisions of Section 3 of the 1937 Act and 24 CFR 960.206 as necessary to implement the Agency's Annual MTW Plan.

Attachment C-C11: Rent Policies and Term Limits. This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C FR 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960-.255 and 966 Subpart A as necessary to implement the Agency's MTW Plan.

#### **Statutory Objectives:**

This program will feature the MTW Statutory Objective of Increasing Housing Choices as it will focus on creating an avenue for very low income families in homeless shelters to move into a specialize public housing with services development.

**Update**

Due to the challenges in raising capital funds for the acquisition and/or development of the Faircloth units for this initiative that during 2016, the Agency anticipates it will be able to house approximately four (4) families under this initiative. The Family Housing Fund is providing funding for MPHA and Hennepin County to do services planning for families who will be participating in this program. The Office to End Homelessness and the University of Minnesota - College of Design will be hosting a forum "Increased Options for Extreme Affordability' and focusing on this initiative and strategies for successful implementation.

**Anticipated Impacts:**

MPHA anticipates that this program will create 30 to 50 units in the first five years of the program and begin to bring relief to families who are stuck in shelter to due lack of other affordable housing and in doing will also free up shelter space for other families relegated to be housed in overcrowded, unsafe and/or unhealthy situations. Families targeted for the program will receive ongoing services from Hennepin County and/or their services partners.

## FY2013 Activity 2: Alternate Income Verifications

### Description (Approved in 2013 and Not Yet Implemented)

MPHA faces a dilemma regarding verification requirements in Notice PIH 2008-44 (HA) and the successful operation of its Housing with Services / Assisted Living public housing programs regarding verification of incomes. There are instances where a potential HWS / Assisted Living public housing resident must be quickly approved for public housing or otherwise have to remain in hospital, sent home or to a relative without appropriate care or transferred to a nursing home or other non-public housing assisted living provider. These actions potentially put vulnerable persons at risk, cost additional local, state and/or federal dollars, and threaten the stability of MPHA's Assisted Living programs in that apparently eligible persons are delayed from moving in due to HUD's income verification and asset verification requirements. For example, Social Security verification can take 10 days, and are only sent to the requestors address, not to MPHA. Potential residents with vulnerabilities may not be at their home to get the verifications, may forget to open them, etc. and the placement into assisted living can be delayed. This results in a loss of a placement and threatens the viability of assisted living at a PHA development. Loss of this vital resource then puts vulnerable residents at risk, results in others having to go to nursing homes, emergency rooms, hospitals etc. and results in significantly higher taxpayer costs.

- These clients often come from a situation where the person may be homeless, has no family etc. many times they cannot find or access verifications of income or assets or because of physical or mental state cannot access this information timely.
- MPHA believes that if an applicant is eligible and has income information, such as SSI income with another unit of government, e.g. State/County Medicaid, Food Stamp program etc. 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. If there is a small discrepancy in actual income, for example an increase in SSI

### MTW Authorization:

This initiative invokes certain provisions of Attachment C - C 2. Local Preferences and Admission and Continued Occupancy Policies and Procedures This authorization waives certain provisions of Section 3 of the 1937 Act and 24 CFR 960.206 as necessary to implement the Agency's Annual MTW Plan; Attachment C - C 4. Initial, Annual and Interim Income Review Process. This authorization waives certain provisions of Section 3 (a) (1) and 3 (a) (2) of the 1937 Act and 24 CFR 966.4 and 960.257 206 as necessary to implement the Agency's Annual MTW Plan.

### Statutory Objective:

As an MTW Initiative, this activity addresses the statutory objective of expanding housing choices by providing a supportive and/or housing with services option to persons who would otherwise be required to remain in the hospital, nursing home or remain in an extremely vulnerable living situation without necessary assisted living or other needed services.

or SSA since the county last verified income, that can be taken care of with a correction, in the same manner as a mistake in rent calculation.

### **Update**

This initiative went into effect in January of 2013 and due to low turnover in this program, MPHA is revising its benchmarks to reflect the most likely utilization. MPHA is hopeful as it opens its new acute assisted living-memory care program at its Signe Burkhardt development to utilize this initiative for quickly processing vulnerable persons for housing in the program. If this initiative proves to be necessary for this process, MPHA will move it back into the Implemented portion of the plan and identify this action in the 2015 MTW Report. If MPHA finds that this Activity is not needed, the Activity will be moved to the 'Closed Out' section.

### **Anticipated Impacts:**

The primary purpose of this activity is 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. This activity will permit extremely vulnerable persons who are in desperate need of both public housing and Assisted Living and/or Housing with Services to be admitted to public housing without delay. It will also support service providers with continuity of placement that will allow them to meet their operations costs that are continually threatened by program vacancies. It is a win for potential residents, MPHA and Assisted Living/Housing with Services providers.

### **Baseline and Benchmarks**

Baseline: Zero – MPHA is currently unable to use alternate income verifications.

Benchmarks: Five (5) admissions per year utilizing alternate income verifications. MPHA has seven Assisted Living and Housing with Services programs that are licensed to provide care for those at a vulnerability level where delays in placement would threaten their ability to be housed in these programs.

### **Data Collection & Metrics**

1. MPHA and Assisted Living service providers will collaborate in identifying resident/participants, on gathering the alternate income verifications and documenting assignment of units and simultaneous admittance into the Assisted Living program.
2. MPHA will track the start date of the application verification process to the approval date for all highrise assisted living applicants and compare that time period to the start date of the application verification process to the approval date for those highrise assisted living applicants where MPHA utilized the alternative income verification.

## **FY2010 – Activity 3: Conversion of 312 Mixed-Financed public housing units to Project Based Section 8**

### **Description (Approved in 2010 and Not Yet Implemented)**

MPHA intends to utilize MTW authority to convert 312 mixed-finance public housing units of which MPHA neither owns nor manages, to Section 8 Housing Choice Vouchers and then project base these units in the same mixed-finance development. For the 200 Heritage Park units, MPHA will also waive the current requirements limiting project based units to a certain percentage of the development.

### **Update**

MPHA completed an application to HUD for conversion of its 200 public housing units in Heritage Park through HUD's Rental Assistance Demonstration (RAD) program. MPHA will use MTW authority as needed to address the limitations on project basing more than 20% of the units in a development and other areas that may need regulatory relief as MPHA goes through this process.

HUD has approved a CHAP for conversion of the 200 Heritage Park units to Project Based Rental Assistance (PBRA). MPHA expects to convert these units in late 2015 or early 2016 if HUD approves the Amendment to MPHA's 2015 MTW Plan and the RAD Finance Plan.

MPHA will revise this activity to include only the remaining 112 mixed-financed units once the Heritage Park units have been converted.

### **MTW Authorization:**

MTW Amended and Restated Agreement – Attachment D [B1] Attachment C [D Authorizations related to Section 8 housing choice vouchers only/ 2. Rent Policies and Term Limits, and 7. Establishment of an Agency MTW Section 8 Project-Based Program] This authorization waives certain provisions of Sections 3, 6, 7, 16 and 31 of the 1937 Act and 24 CFR 945 Subpart C, 960 Subparts B, D, E and G as necessary to implement the Agency's Annual MTW Plan and [ D2 – Authorizations related to Section 8 only – Rent Policies and Term Limits] This authorization waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 CFR 982.508, 982.503 and 982.518 as necessary to implement the Agency's Annual MTW Plan.

### **Statutory Objective:**

Reduce costs and achieve greater cost effectiveness in Federal expenditures and increase housing choices.

## CLOSED OUT ACTIVITIES

### **FY 2013 Activity 1: MPHA – Hennepin County Interim Housing Demonstration Initiative**

#### **Description of Activity (Approved in 2013 - Implemented in 2014)**

MPHA is partnering 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. In PIC, MPHA will change the classification of these 8 units to MTW neighborhood services units.

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. Hennepin County refers participants to the program and provides MPHA with income verification data to ensure compliance with public housing eligibility criteria. Hennepin County will determine the length of stay based upon the health and support needs of the participants. No stay will exceed four months. Hennepin County will be responsible for identifying housing assistance once the participant completes their temporary stay.

MPHA will provide the housing units, perform work orders and maintain common areas Hennepin County would provide staffing and supportive services, house-keeping and other interventions as needed for participants. Hennepin County would provide a payment to MPHA for use of the housing units.

#### **Update**

MPHA implemented this program on January 2, 2014. There have been two (2) units occupied by seven (7) individuals, in this program thus far. Unfortunately, the need for this program has not met expectations. The promotion of this program was the responsibility of Hennepin Health which had access to the doctors, clinicians and staff who could refer participants. Hennepin Health has since canceled this contract with MPHA and the program has ended.

#### **MTW Authorization:**

This initiative invokes certain provisions of Attachment D ‘Broader Uses of Funds authority;  
Attachment C – B 2. Partnerships - This authorization waives certain provisions of Sections 13 and 35 of the 1937 Act and 24 CFR 941 Subpart F as necessary to implement the Agency’s Annual MTW Plan.

#### **Statutory Objective:**

Achieving greater cost effectiveness in federal expenditures. The MPHA partnership reduces significantly federal expenditures of Medicaid and Increases Housing Choice. Without this program most of these participants would remain hospitalized, become homeless and/or be forced to live in vulnerable conditions without supportive services.

## Activity 2012-1: Biennial Housing Quality Standards Inspections for Multifamily Complexes

### Description: (Approved and implemented in 2012)

HUD's approval of MPHA's 2012 MTW Plan gave us 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.

### Changes or Modifications

**Section 220 of the 2014 Congressional Appropriations Act** "allows 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 therefore, the Agency is closing out this activity as MTW authority is no longer required.

### MTW Authorization:

This provision invokes certain provisions of Attachment C generally and including Section B1b.iv; Section D 5 and waives certain provision of Section 8(o)(8) of the 1937 Act and 24C.F.R. 982 Subpart I (See Attachment III for MPHA's Inspection Self-Certification Overview and Form).

### Statutory Objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

## **Activity 2012-2: Earned Income Disallowance Simplification (HCV Program)**

### **Description of Activity (Approved and Implemented in 2012)**

In the Housing Choice Voucher Program, Federal Regulations allow families whose head of households are 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 has created a full two-year income disregard for eligible families and eliminated the administrative hardship and time consuming monitoring.

### **Anticipated Changes**

Current EID participants will continue to receive the income disregard until their two-year period ends at the close of calendar year 2015.

### **MTW Authorization:**

This provision invokes certain provisions of Attachment C generally and including Section D 3 a, and b. and waives certain provision of Section 8(o)(4) of the 1937 Act and 24C.F.R. 5.603, 5.609, 5.611, 5.628 and 982.201, 516 and 982 Subpart E as necessary to implement the Agency's MTW Plan.

### **Statutory Objective:**

As an MTW initiative this activity addresses the statutory objective of achieving greater cost effectiveness in federal expenditures.

**FY2009 – Activity 3: Combine MPHA’s Current Homeownership Programs into a Single MTW Initiative with a Foreclosure Prevention Component**

**Description of Activity (Approved and Implemented in 2009)**

Under MTW, MPHA’s homeownership initiatives, Home Ownership Made Easy (HOME) and Moving Home (Section 8 Homeownership Demonstration Program) was revised and combined with a new Foreclosure Prevention Initiative that is designed to assist some low-income families in avoiding foreclosure.

This program combines the funding for counseling and all activities leading to purchase through MPHA’s MTW homeownership initiatives, along with post-purchase follow-up efforts. Program participants are offered an opportunity to purchase their homes with Section 8 support or to utilize a significant down payment assistance offered through a partner agency and purchase without Section 8 assistance. The participant with assistance from the contracted counselor and the lending institution will select a purchase option.

**Update**

**MPHA discontinued this program in 2012 due to federal funding cutbacks in its housing programs.**

**MTW Authorization:**

Continuation of Previously Authorized Activities: Provided in Attachment D; A This Section waives certain provisions of Sections 8, 9 and 23 of the 1937 Act and 24 C.F.R.941, 982, and 984 as necessary to implement the Agency’s Annual MTW Plan.

**Statutory Objective:**

Expand housing choices and Self sufficiency. Will allow public housing residents and Section 8 participants to move into home ownership with Section 8 assistance.

Provides incentives that support self sufficiency goals.

**FY2009 – Activity 5: Implement a New Public Housing Family Self-Sufficiency Program**

**Description of Activity (Approved and Implemented in 2009)**

MPHA has implemented a new public housing Family Self-Sufficiency (FSS) program targeted for families who seek to become home owners. This program is targeted to serve 50-75 families and has participation requirements to meet MPHA’s homeownership program eligibility requirements. MPHA has implemented a provision that allows up to 25 working families or those who receive unemployment benefits to participate in the FSS program as long as they maintain homeownership as their primary goal.

**Update**

**MPHA discontinued this program in 2012 due to federal funding cutbacks in its housing programs.**

**MTW Authorization:**

Authorizations related to Self Sufficiency: Provided in Attachment C Section E. This Section waives certain provisions of Sections 23 of the 1937 Act and 24 C.F.R.984, as necessary to implement the Agency’s Annual MTW Plan.

**Statutory Objective:**

Promote Self Sufficiency and increase housing choices. The FSS program positions families to meet FSS purpose of MTW.

Homeownership focus support housing choices beyond public housing and market rate rental.

# SECTION V: SOURCES and USES of FUNDS

Form 50900: Elements for the Annual MTW Plan and Annual MTW Report

Attachment B

## (V) Sources and Uses of Funds

### Annual MTW Plan

#### A. MTW Plan: Sources and Uses of MTW Funds

##### Estimated Sources of MTW Funding for the Fiscal Year

PHAs shall provide the estimated sources and amounts of MTW funding by FDS line item.

##### Sources

FDS Line Item	FDS Line Item Name	Dollar Amount
70500 (70300+70400)	Total Tenant Revenue	19,150,000
70600	HUD PHA Operating Grants	64,700,000
70610	Capital Grants	17,560,000
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	0
71100+72000	Interest Income	50,000
71600	Gain or Loss on Sale of Capital Assets	0
71200+71300+71310+71400+71500	Other Income	6,000,000
<b>70000</b>	<b>Total Revenue</b>	<b>107,460,000</b>

**Estimated Uses of MTW Funding for the Fiscal Year**

PHAs shall provide the estimated uses and amounts of MTW spending by FDS line item.

**Uses**

FDS Line Item	FDS Line Item Name	Dollar Amount
91000 (91100+91200+91400+91500+91600+91700+91800+91900 )	Total Operating - Administrative	11,885,000
91300+91310+92000	Management Fee Expense	7,415,000
91810	Allocated Overhead	0
92500 (92100+92200+92300+92400)	Total Tenant Services	800,000
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	8,800,000
93500+93700	Labor	500,000
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	12,900,000
95000 (95100+95200+95300+95500)	Total Protective Services	1,500,000
96100 (96110+96120+96130+96140)	Total insurance Premiums	930,000
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	2,600,000
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	1,090,000
97100+97200	Total Extraordinary Maintenance	200,000
97300+97350	Housing Assistance Payments + HAP Portability-In	42,500,000
97400	Depreciation Expense	15,000,000
97500+97600+97700+97800	All Other Expenses	0
<b>90000</b>	<b>Total Expenses</b>	<b>106,120,000</b>

**Describe the Activities that Will Use Only MTW Single Fund Flexibility**

MPHA will use the MTW Single Fund Flexibility to offset the anticipated federal funding shortfall in the Public Housing Operating Fund Program. Resources from the Housing Choice Voucher Program, which is anticipated to be fully funded by Congress, will be used to offset the subsidy loss in the Operating Fund Program.

1

**V.2.Plan.Local Asset Management Plan**

**B. MTW Plan: Local Asset Management Plan**

Is the PHA allocating costs within statute?

Yes

or

N/A

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

N/A

or

No

If the PHA is implementing a LAMP, it shall be described in an appendix every year beginning with the year it is proposed and approved. The narrative shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.

Has the PHA provided a LAMP in the appendix?

N/A

or

No

N/A

<sup>1</sup> The Revenues exceed the Expenses on t Sources and Uses Report due to the inclusion of Depreciation expense instead of capitalized expenditures. MPHA is not expecting to incur a net o9perating gain, the gain will increase the equity balance shown in FDS line 508.4.

## SECTION VI: ADMINISTRATIVE

The MPHA Board of Commissioners approved the creation of a Resident Advisory Board for this year's plan process in March 2015. The Resident Advisory Board (RAB) consists of eleven resident/participant members that represent the Tenant Advisory Committee, the Security Advisory Committee, the Maintenance, Modernization and Management Committee, the Minneapolis Highrise Representative Council, the Minneapolis Scattered Site Resident Council and Section 8/HCV. The Resident Advisory Board meets with MPHA staff who coordinate and submit the MTW Plan. All meetings are held at the MPHA Administrative offices at 1001 Washington Avenue North, Minneapolis, MN.

The Resident Advisory Board adopted the following Guiding Principles/Priorities for this year's Plan Process (The Guiding Principles and Priorities are not listed in any particular order).

### 2015 RESIDENT ADVISORY BOARD GUIDING PRINCIPLES AND PRIORITIES

Guiding Principles	Priorities
Preserve housing stock and well maintained buildings. Maintain the highest standards for maintenance staff and hold them accountable to that standard.	Preserve housing stock and well maintained buildings. Maintain the highest standards for maintenance staff and hold them accountable to that standard.
Preserve Section 8 vouchers for current participants.	Preserve Section 8 vouchers for current participants.
Maintain secure public housing, Project Lookout funding and create a comprehensive security program.	Maintain secure public housing, Project Lookout funding and create a comprehensive security program.
No rent increase over 30% of income for public housing.	
One-for-one replacement of public housing.	One-for-one replacement of public housing.
Keep resident self help funding.	Keep resident self help funding.
Create collaborations that increase affordable housing and/or services for residents.	Create collaborations that increase affordable housing and/or services for residents.
No housing timelines.	No housing timelines.
Focus on the needy.	Activities that provide incentives for resident participation (i.e., Diversity Program)
Implement programs that check on residents (i.e., I'm Okay Program).	Provide more intensive pest control.
Create a Job Bank and focus on resident employment opportunities including Section 3 as part of all MPHA activities. Post and publicize opportunities to residents.	Section 8 participants need a forum/organization for representation.
MPHA should actively enforce rules about smoking, weapons and drugs on MPHA properties.	MPHA should actively enforce rules about weapons and drugs and smoking on MPHA properties.

MPHA published a Notice of the availability of the MPHA Draft FY2016 MTW Plan and supporting documents and public hearing in the Minneapolis Star Tribune Newspaper on August 2, 2015. The actual public comment period for the MPHA Draft FY2016 MTW Plan and draft supporting documents began on August 1, 2015 and continued through September 4, 2015.

MPHA hosted an 'Advance Meeting' on August 18, 2015 for public housing residents of highrises, scattered sites, MPHA's Glendale family development and Section 8 HCV participants. MPHA mailed 200 invitations to random Section 8/HCV participants for this meeting. MPHA presented changes to the Draft 2016 MTW Plan and significant changes to the MPHA Statement of Policies (ACOP), Section 8/HCV Administrative Plan and the 2016 Capital Fund Program plan. There was a Public Hearing before the MPHA Board of Commissioners on Wednesday, August 26, 2015. The Board heard comments from residents and the Minneapolis Highrise representative Council regarding the Draft Plan and supporting documents. MPHA also received other comments during the Public Review period, including a letter from Mid Minnesota Legal Aid. As always, MPHA responds to each and every comment received during the comment period. These Comments and Responses are found in Attachment B of this document.

**MPHA Board of Commissioners Meeting - Public Hearing**

August 26, 2015 - 1:30 PM

1001 Washington Avenue North - 1st Floor Board Room

Minneapolis, MN

**MPHA Board of Commissioners Meeting - Request for Approval**

September 23, 2015 - 1:30 PM

1001 Washington Avenue North - 1st Floor Board Room

Minneapolis, MN

The Annual Statement/Performance and Evaluation Report (HUD-50075.1) is in Appendix C of this document.

The Resident Advisory Board voted to approve MPHA's FY2016 Moving To Work Plan on September 22, 2015 with the following exceptions:

- MPHA should exclude incense in its Non-Smoking Policy due to religious and ritual rites which include the burning of incense.
- MPHA should rescind the 'Absence from Unit' Initiative.
- MPHA should make a focused effort to make Self Help opportunities available to ALL residents.
- MPHA should make sure that Project Lookout remains a Volunteer Program with no stipend.
- The RAB opposed MPHA's policy to use photography when entering a resident's unit outside the reason for the entrance and support prior notification to take photographs inside the unit.

The Minneapolis Public Housing Authority Board of Commissioners approved the 2016 Moving To Work Plan on September 23, 2015. The Board Report and Resolution along with the required Certification of Compliance signed by the MPHA Board Chair is attached in Appendix D.

MPHA has no planned or ongoing PHA-directed evaluations of the demonstration for the overall MTW Program or any specific MTW activities.

## APPENDIX A: PLANNED CAPITAL EXPENDITURES

### Capital Needs Data

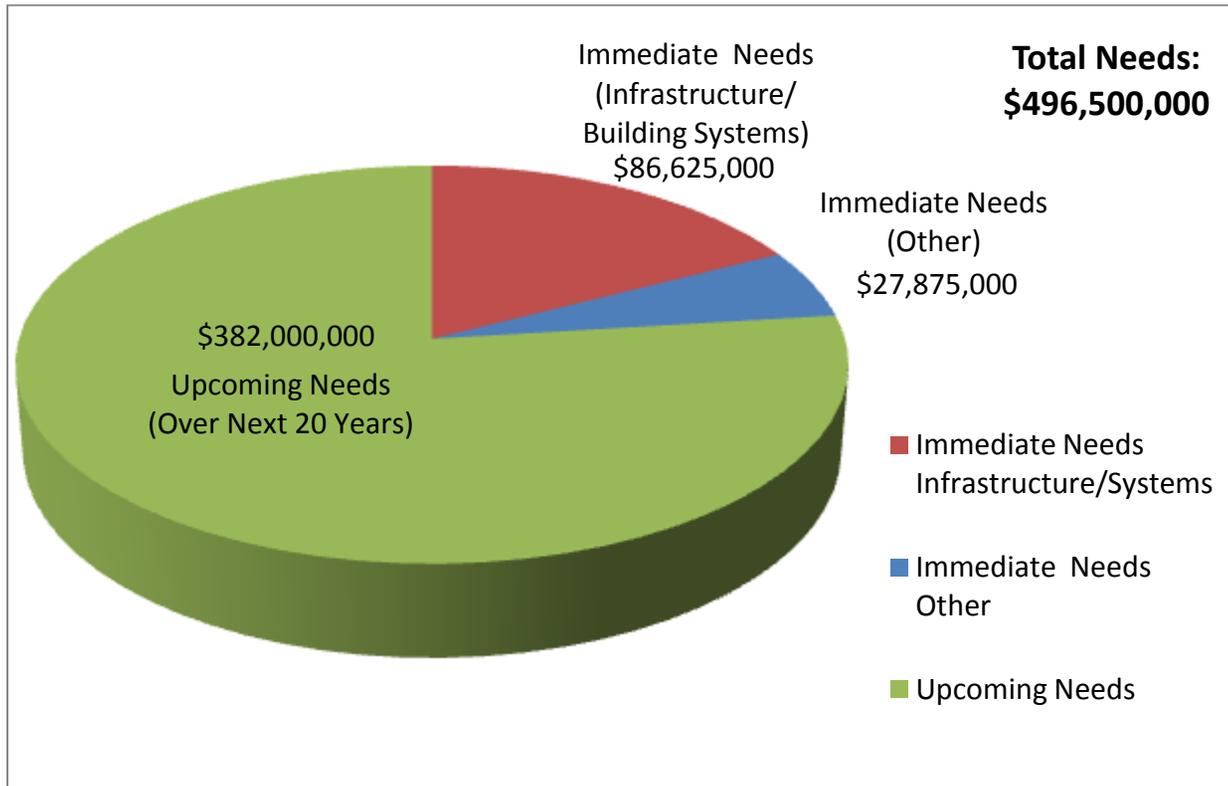
Minneapolis Public Housing Authority's (MPHA) housing stock is comprised of 42 highrise buildings, 750 scattered site homes, 184 rowhouse units, and three maintenance, administrative, and service facilities. Forty of the forty two highrise buildings in MPHA's inventory were built in the 1960's and early 1970's; the age range of MPHA's single-family homes is 2 – 100+ years old, and our single remaining row house development is 60+ years old. MPHA completed its comprehensive physical needs assessment process (PNA) in 2015, which included contracting with specialty consultants to assess major building systems such as HVAC, roofs, facades, and elevators. MPHA followed HUD's draft PNA guidance including assessing needs for a 20-year period. Utilizing field data collection tools, MPHA gathered needs data on all property components including current ages and conditions, life cycle profiles, and replacement or repair costs. Additionally, needs related to life safety/code compliance, security, and energy savings were noted as such and all needs were assigned a priority level. The comprehensive analysis indicates MPHA has a current unmet need of \$114.5 million (as of 2015) that will grow to nearly \$500 million over the next twenty (20) years. To aid in capital planning, MPHA considers three factors in its needs data:

1. The type of need:
  - Building Systems/Infrastructure (e.g. mechanical systems, plumbing and electrical systems, security systems, fire protection systems, roofs/façades, windows, elevators, etc.)
  - Building Site Work, Interiors & Equipment/Furnishings (apartment kitchen and bath rehab, landscaping/site improvements, community room furnishings, building amenities, etc.)
2. The remaining useful life of the need, which can range between 0 – 20 years.
3. The urgency of action:
  - Low: This action is not urgent and can be deferred.
  - Medium: This action is not urgent but should be done within the next 2-5 years.
  - High: This action is of high urgency and should be done within the next 1-2 years.
  - Urgent: This action should not be deferred and must be done as soon as possible.

## PNA Breakdown

The breakdown of our 20-year \$496.5 million capital need is illustrated below:

## PNA Breakdown



As shown above, a large portion of our immediate capital needs are infrastructure/building systems; due to their age, systems and infrastructure at many of our buildings have exceeded their life expectancy. MPHA deems a portion of these items as critical needs that could become life safety needs if left unaddressed. Additionally, as building codes have evolved, we need to address increased fire protection requirements such as retrofitting our highrise buildings with sprinkler systems. This need comprises approximately \$8 million of the \$86 million identified in Immediate Infrastructure Needs. MPHA has made these items a priority and will target these types of improvements over the next ten years.

## FY16 Significant Capital Expenditures by Development

MPHA is basing its CFP on an MTW allocation of \$9.3 million for 2016. Projects that were initiated under previous funding cycles, but not fully completed in prior years, will carry over and experience expenditures in 2016. Additionally, a portion of the projects slated for 2016's \$9.3 million budget will not be fully expended in 2016 and will carry into 2017. This expenditure schedule is based on the assumption of receiving the Capital Fund grant by the end of March 2016. MPHA has estimated approximately \$20.66 million in Capital Fund expenditures for FY 16 (see following charts) targeted at specific projects in six of its seven Asset Management Projects (AMPs). Details for projects included in the FY2016 plan follow. The five-year Capital needs table illustrates total funding needed to address all capital needs at MPHA properties 2016-2020.

### ***AMP 2 (Scattered Sites): \$200,000***

Due to the severe shortage of funding, any capital improvements in scattered sites will be limited to roofs and other critical infrastructure upgrades. MPHA is allocating \$200,000 for these types of improvements in FY2016.

### ***AMP 5 (Hiawatha): \$1,900,000***

Elevator modernization at two of the three Hiawatha Towers and façade restoration at both 5<sup>th</sup> Avenue South high-rises.

### ***AMP 6 (Cedars): \$4,400,000***

In 2015, MPHA initiated major plumbing replacement, apartment modernization, sprinkler system installation, and HVAC upgrades at the first of three Cedars lowrise buildings. The second building, 1627 South 6<sup>th</sup> Street, is slated for these same improvements in 2016.

### ***AMP 7 (Horn): \$1,100,000***

Elevator modernization at 1415 East 22<sup>nd</sup> Street. Plumbing upgrades, sprinkler system installation, and apartment improvements at 2728 East Franklin will be initiated in 2016 as the first of a two phase project.

### ***Area Wide Building System Upgrades: \$590,000***

During FY 2016, the Facilities and Development Department will implement a variety of building upgrades such as major HVAC and electrical systems improvements at AMPs where other major projects are planned. The specific improvements are being defined and will be included in the scope of the major project at each site.

**CAPITAL PROJECTS – FY 2016**

AMP	PROJ	ADDRESS	WORK ITEMS	PROJECT COST	2016 EXPENDITURES
N/A	N/A	N/A	Administration	\$1,100,000	\$1,100,000
N/A	N/A	N/A	Audit fee	\$10,000	\$10,000
2	Varies	Scattered Sites	Roof replacement, infrastructure	\$200,000	\$200,000
5	9	2019 16 <sup>th</sup> Ave S	Elevator modernization	\$600,000	\$600,000
5	9	2121 16 <sup>th</sup> Ave S	Elevator modernization	\$600,000	\$600,000
5	34	Fifth Avenue Highrises	Façade restoration	\$700,000	\$700,000
6	6	1627 South 6 <sup>th</sup> Street	Piping, apartment modernization, sprinklers, HVAC improvements	\$4,400,000	\$100,000
7	14	1415 E 22 <sup>nd</sup> St	Elevator modernization	\$600,000	\$600,000
7	17	2728 E Franklin Avenue	Piping, sprinklers, apartment upgrades (phase I of II)	\$500,000	\$100,000
3-7	Varies	Area-Wide	Building systems improvements	\$590,000	\$590,000
<b>TOTAL – 2016 CAPTIAL BUDGET</b>				<b>\$9,300,000</b>	

**CARRYOVER CAPITAL PROJECTS (These are projects from a previously approved MTW annual and five year CFP plan that will incur expenditures during FY 2016)**

AMP	PROJ	ADDRESS	WORK ITEMS	PROJECT COST	2016 EXPENDITURES
3	20.5	3116 Oliver Ave N	Piping, apartment modernization, roof replacement	\$1,400,000	\$1,300,000
3	42	314 Hennepin Ave	Corridor flooring replacement	\$750,000	\$400,000
4	10	311 University Ave NE	Piping, roof replacement, façade restoration, apartment upgrades, sprinklers	\$3,000,000	\$2,575,000
4	15.4 15.5	710 2 <sup>nd</sup> St NE & 616 Washington Ave NE	Corridor flooring replacement	\$80,000	\$70,000
4	21.4	1206 2 <sup>nd</sup> Street NE	Piping, apartment upgrades	\$2,000,000	\$1,900,000
5	24	1707 3 <sup>rd</sup> Avenue S	Corridor flooring replacement	\$200,000	\$190,000
5	34	Fifth Avenue Highrises	Elevator modernization, generator replacement	\$1,700,000	\$850,000
6	6	620 Cedar Ave S	Piping, apartment modernization, sprinklers, HVAC improvements	\$4,400,000	\$4,215,000
6	6/30	Cedars Complex	Security fencing	\$200,000	\$190,000
6	8	Elliot Twins	Corridor flooring replacement	\$175,000	\$165,000
7	14	1415 E 22 <sup>nd</sup> St	Piping replacement, sprinklers, mechanical upgrades, apartment upgrades	\$5,300,000	\$2,335,000
7	17	2728 E Franklin Ave	Façade restoration	\$350,000	\$350,000
7	36	2121 Minnehaha	Elevator modernization	\$600,000	\$420,000
N/A	96	1001 Washington	Building/security improvements	\$1,200,000	\$1,000,000
3-7	Varies	Area-Wide	Building systems improvements	\$500,000	\$100,000
<b>TOTAL – 2016 PLANNED EXPENDITURES</b>					<b>\$20,660,000</b>

*\*The level and timing of these expenditures will vary depending on the final formula amount and the grant release date.*

Minneapolis Public Housing Authority  
2016 Five-Year Schedule of Capital Needs

FY16	FY17	FY18	FY19	FY20
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AMP 1 - Rowhouses

AMP	Project	Address	Bldgs	Units					
1	1	Glendale	28	184	14,913,554	222,336	0	36,242	1,013,730
<b>Total AMP 1</b>			<b>28</b>	<b>184</b>	<b>14,913,554</b>	<b>222,336</b>	<b>0</b>	<b>36,242</b>	<b>1,013,730</b>

AMP 2 - Scattered Site/Single Family

AMP	Project	Address	Bldgs	Units					
2	Various	Various	750	750	14,442,716	4,773,776	7,311,534	4,055,820	3,647,547
<b>Total AMP 2</b>			<b>750</b>	<b>750</b>	<b>14,442,716</b>	<b>4,773,776</b>	<b>7,311,534</b>	<b>4,055,820</b>	<b>3,647,547</b>

AMP 3 - North

AMP	Project	Address	Bldgs	Units					
3	3	800 North Fifth Ave	1	66	1,090,500	201,000	0	126,897	170,346
3	20.4	2415 North Third Street	1	62	639,800	13,380	0	18,858	210,077
3	20.5	3116 North Oliver Ave	1	31	1,097,524	276,656	355,000	179,607	339,831
3	23	315 North Lowry Ave	1	193	2,628,800	229,380	0	692,523	225,000
3	25	600 North 18th Ave	1	239	1,970,014	272,212	0	2,013,659	1,011,266
3	26	1710 North Plymouth Ave	1	84	3,085,996	526,750	949,841	350,113	763,878
3	28	1015 North Fourth Ave	1	48	186,000	0	0	0	20,000
3	37	1314 North 44th Ave	1	220	2,521,010	315,360	322,000	120,940	3,097,434
3	42	314 Hennepin Ave	1	299	4,699,818	892,464	633,200	157,251	1,741,617
3	50	350 Van White Memorial Blvd	1	102	421,000	92,644	81,600	125,997	258,552
<b>Total AMP 3</b>			<b>10</b>	<b>1,344</b>	<b>18,340,462</b>	<b>2,819,846</b>	<b>2,341,641</b>	<b>3,785,845</b>	<b>7,838,001</b>

AMP 4 - Northeast

AMP	Project	Address	Bldgs	Units					
4	10	311 NE University Ave	1	49	3,784,738	180,901	15,475	135,000	670,091
4	15.4	710 NE Second Street	1	35	1,076,921	120,695	49,203	255,000	102,435
4	15.5	616 NE Washington Ave	1	35	1,139,425	40,500	81,199	210,000	183,340
4	21.4	1206 NE Second Street	1	57	2,938,211	329,876	0	420,000	1,016,982
4	21.5	1900 NE Third Street	1	32	1,367,500	146,000	24,600	270,000	323,865
4	21.6	809 NE Spring Street	1	32	1,576,264	115,811	119,340	142,718	574,703
4	32	1717 NE Washington Street	1	182	2,791,428	0	0	1,409,217	1,191,917
4	33	828 NE Spring Street	1	189	3,111,154	39,828	476,962	156,394	1,074,549
4	35	1815 NE Central Ave	1	333	1,827,900	554,800	0	275,000	2,684,571
<b>Total AMP 4</b>			<b>9</b>	<b>944</b>	<b>19,613,541</b>	<b>1,528,411</b>	<b>766,779</b>	<b>3,273,329</b>	<b>7,822,453</b>

Minneapolis Public Housing Authority  
2016 Five-Year Schedule of Capital Needs

FY16	FY17	FY18	FY19	FY20
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AMP 5 - Hiawatha

AMP 5	Project	Address	Bldgs	Units					
5	9	Hiawatha Towers	3	281	7,636,594	1,045,770	537,272	220,000	625,704
5	18.5	2533 South First Ave	1	42	2,756,287	1,000	15,814	150,000	252,000
5	19	1920 South Fourth Ave	1	110	3,265,310	25,000	0	145,600	152,540
5	24	1707 South Third Street	1	199	1,997,900	277,030	0	103,982	161,179
5	34	2419/33 South Fifth Ave	2	254	4,616,314	318,379	0	978,725	380,000
<b>Total AMP 5</b>			<b>8</b>	<b>886</b>	<b>20,272,405</b>	<b>1,667,179</b>	<b>553,086</b>	<b>1,598,307</b>	<b>1,571,423</b>

AMP 6 - Cedars

AMP 6	Project	Address	Bldgs	Units					
6	6 & 30	Cedars Community	4	539	14,447,047	7,028,285	3,791,613	2,231,481	5,789,671
6	8	Elliot Twins	2	174	6,502,332	202,970	81,470	1,249,480	555,737
6	16	1515 South Park Ave	1	182	3,660,955	222,682	343,100	1,652,709	300,007
<b>Total AMP 6</b>			<b>7</b>	<b>895</b>	<b>24,610,334</b>	<b>7,453,937</b>	<b>4,216,183</b>	<b>5,133,670</b>	<b>6,645,415</b>

AMP 7 - Horn

AMP 7	Project	Address	Bldgs	Units					
7	14	1415 East 22nd Street	1	129	5,032,076	770,000	0	0	100,419
7	17	2728 East Franklin Ave	1	151	4,444,222	197,773	1,057,000	1,132,580	1,236,158
7	18.4	3755 South Snelling Ave	1	28	542,553	122,747	105,000	153,000	345,798
7	22	3205 East 37th Street	1	28	512,553	72,276	80,000	153,000	341,332
7	31	Horn Towers	3	491	6,132,871	272,012	1,551,466	5,775,729	878,658
7	36	2121 South Minnehaha Ave	1	110	3,318,184	55,080	790,680	15,706	1,414,374
<b>Total AMP 7</b>			<b>8</b>	<b>937</b>	<b>19,982,459</b>	<b>1,489,888</b>	<b>3,584,146</b>	<b>7,230,015</b>	<b>4,316,739</b>

Management, Maintenance, and Special Facilities

	Project	Location	Bldgs	Units					
	29	901 North Fourth Ave (HPSCC)	1		348,300	0	0	0	0
	93	1301 Bryant Maintenance Off.	1		212,887	23,256	67,729	0	29,278
	96	1001 Washington Main Office	1		1,677,341	629,053	120,000	3,914	1,110,754
	<b>Total MM&amp;S</b>		<b>3</b>		<b>2,238,528</b>	<b>652,309</b>	<b>187,729</b>	<b>3,914</b>	<b>1,140,032</b>
<b>GRAND TOTAL</b>			<b>820</b>	<b>5,940</b>	<b>134,413,999</b>	<b>20,607,682</b>	<b>18,961,098</b>	<b>25,117,142</b>	<b>33,995,340</b>

## **Asset Preservation Strategies**

The ever-widening gap between capital improvement needs and the dollars allocated to MPHA through HUD's Capital Fund Program has prompted MPHA to develop multiple asset preservation strategies. These include the following:

- A) Participating in special programs offered by HUD.
- B) Implementation of development/asset replacement strategies.
- C) Seeking funding opportunities other than HUD's Capital Fund Program.

### ***A. Preserving Assets through HUD Programs***

#### ***Moving to Work (MTW) Demonstration Program***

MPHA's designation as a High Performing Housing Authority by HUD provided the opportunity to obtain the MTW designation. The purpose of the MTW program is to give housing authorities and HUD the flexibility to design and test various approaches for providing and administering housing assistance that accomplishes three primary goals:

- Reduce costs and achieve greater efficiencies in federal expenditures.
- Give incentives to families with children where the head of household is working, seeking work, or preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient.
- Increase housing choices for low-income families.

As an MTW agency, MPHA has been able to utilize fungible authority to increase the amount of funds allocated to capital improvements above the CFP allocation from HUD. In 2015, MPHA allocated an additional \$3.6 million to its capital improvement program above the HUD capital grant fund.

#### ***Energy Performance Contracting***

MPHA contracted Honeywell International, Inc. for a 2010 implementation of \$33.6 million of energy conservation measures throughout MPHA's properties. The contract was financed under HUD's Energy Performance Contracting program incentive to borrow private capital to fund energy improvements. The improvements which included replacing 40-to-50-year-old boilers, installing low flow toilets and shower heads, and replacing

existing stoves with energy efficient models is now completed. This “green” project is now complete and on its fourth year of a 20 year energy savings guarantee by Honeywell.

The project is truly a win-win for the agency. As MPHA and Honeywell transitioned from construction to energy savings monitoring, other savings and improvement opportunities were discovered. The original loan was refinanced to a lower interest rate and an additional \$3.36 million worth of improvements is now underway. These include enhanced LED lighting at all MPHA high-rise sites as well as mechanical upgrades to high rise HVAC systems for even more efficient operation.



Typical Old Highrise Boiler



New Boiler Installation

### ***B. Asset Redevelopment & Repositioning***

MPHA looks for opportunities to reposition some of its single-family scattered housing properties with the most extensive capital, operational and maintenance needs and replace these with small clusters of town house developments. A prototype example of a small cluster of family housing is the development of a five unit townhome development in Linden Hills that was completed in 2006.

MPHA is also in the process of assessing options for the preservation of 184 units at its Glendale Townhomes in Prospect Park. This 14.5 acre site with 184 family townhome units has extensive capital needs and MPHA is considering several options that will ensure the preservation of these units in the long term. The needs at this property are identified in the five-year schedule of capital needs; as the preservation strategy is formulated for this site, MPHA may allocate capital funds to support these efforts.



Five Unit Townhome Development in Linden Hills

### ***C. Supplemental Funding Sources***

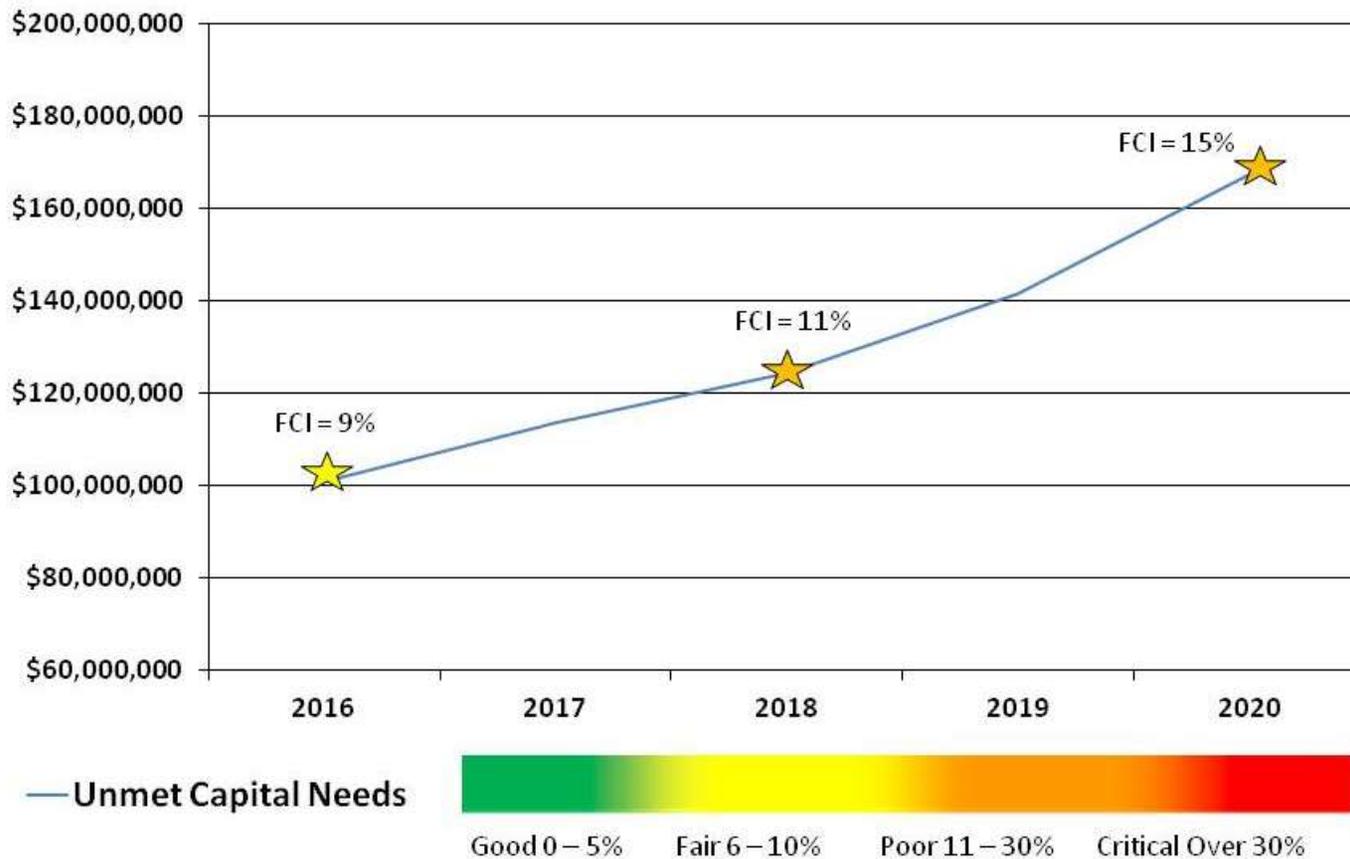
Due to the extent of MPHA’s capital needs and the insufficient level of funding provided by HUD, the need to cobble funds from various sources outside the traditional HUD’s CFP has become a much needed activity. In the past, MPHA has been successful in securing grants from the Met Council and the City in redevelopment activities and from the State for affordable housing preservation. For example, MPHA secured a \$1,200,000 affordable housing preservation grant from the State in 2015 to help fund major plumbing replacement, fire protection installation, apartment improvements, and HVAC upgrades at its 620 Cedar Avenue South building.

### **Facility Condition Index**

MPHA assesses the physical condition and tracks the performance of our properties by utilizing an industry-accepted tool known as the Facility Condition Index (FCI). The FCI is used by industries that have responsibility over large capital asset inventories such as higher education, municipalities, military, and increasingly, public housing authorities. The FCI is a measurement that takes into account the “growing” capital renewal needs year over year and measures it against the replacement value of an asset ( $FCI = \text{Need}/\text{Asset Value}$ ). MPHA uses this information to

understand the current state of each property, to forecast a building’s future performance based on various funding levels, and to formulate asset preservation strategies such as those mentioned above that will keep our housing stock viable for the long term.

MPHA’s five-year strategy for addressing capital needs covers FY 16 through FY 20. Through Capital Fund Program appropriations and asset preservation strategies, MPHA anticipates allocating approximately \$65.8 million to implement capital work over this five-year period, which includes expenditures for capital projects that are currently or will soon be underway at the time this report was published. The plan addresses primarily building systems/infrastructure and fire suppression improvements, all of which are critical to the operation of our facilities. The following chart illustrates MPHA’s Facility Condition Index for the next five years.



Assuming current HUD Capital funding levels and MPHA's ability to implement various asset management strategies, MPHA's assets will slip into the "Poor" range within the next five years. Aging properties and reductions in funding levels have made asset preservation an increasingly difficult challenge. MPHA must continue to aggressively pursue grant opportunities that improve MPHA's asset condition through initiatives that include development and capital investment in existing assets.

MPHA considers the outcome of the aforementioned investment strategies consistent with the MTW statutory objectives of:

- (a) Reducing costs and achieving greater cost effectiveness in Federal expenditures.
- (b) Providing incentives to families with children whose heads of household are working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.
- (c) Increasing housing choices for low-income families.

## APPENDIX B: COMMENTS & RESPONSES

### FY 2016 Moving To Work Plan Comments and MPHA Responses

#### Draft FY2016 Moving To Work Plan

1. Does this Plan (Moving To Work Plan) transition realistically people to jobs and homeownership? Disabled people lack jobs (3/4 of population) and fired when the recession hit in 2008. How do you transition us to

**MPHA RESPONSE: Thank you for your comment. The name Moving To Work for this program is at times misleading. While there is a 'Self Sufficiency' component to the program and MPHA has several initiatives in both its public housing and Section 8 programs that promote and support residents and participants in becoming self-sufficient, the MTW Program provides opportunities for MPHA to create efficiencies and saving in how we spend our resources and also to expand housing choices. Given the information you have noted concerning the large number of disabled and vulnerable persons in our housing programs, MPHA has focused its use of its Moving To Work program flexibility by adopting initiatives that provide for greater quality of life and enhancement of services and supports to its residents and participants.**

2. I concur with the amendments to the 2015 Plan. MPHA must acquire more transitional housing especially for those exiting a drug and alcohol program.

**MPHA RESPONSE: Thank you. MPHA's 2015 MTW Plan Amendments target critical community needs: families coming out of homeless shelters, homeless youth and persons exiting prison and need a home.**

3. Residents support the proposed amendments to MPHA's 2015 MTW plan which will support housing programs for our community's most at risk populations.

**MPHA RESPONSE: Thank you, see response to # 2 above.**

#### Draft FY2016 Low Income Public Housing Statement of Policies

4. Many residents continue to request that MPHA rescind the previously adopted 'Absence from Unit' initiative which disallows rent adjustment during extended absences even when income is lost during this period. The MHRC continues to believe that this policy does not in any measurable way improve MPHA's financial situation, that it does not, overall, negatively impact the federal budget (the federal government does not have to pay out benefits when the resident is out of the country), but that it does cause undue financial hardship for public housing residents,

and almost exclusively to residents who are immigrants and refugees. Up until the time MPHA was granted the 'Absence from Unit' waiver from HUD, HUD intended that resident would pay only 30% of their income in rent and that the amount would vary based on fluctuations in income. We request that MPHA return to this policy whether a resident is at home or away from home.

**MPHA RESPONSE: MPHA's Board of Commissioners have reviewed similar comments from various residents and groups since this initiative was adopted and consistently voted to continue with the Absence from Unit initiative believing it reflect good public policy.**

5. For three years Public Housing residents have protested the MPHA's 'Absence from Unit' initiative and nothing has changed. I would like MPHA to revisit this issue.

**MPHA RESPONSE: See response above.**

6. I concur with the urgency to revisit the 'Absence from Unit' initiative issue. Residents lose all income when they leave the country to visit family members after decades of separation. They are charged the same amount of rent while they are gone and it takes a long time to restore that income when they return.

**MPHA RESPONSE: Thank you for your comments. See response above.**

7. Once again this year there is an issue to address - the 'Absence from Unit' initiative. This initiative continues year after year. This issue is an obstacle and challenge to residents. Please reassess this policy.

**MPHA RESPONSE: Thank you for your comments. See responses above.**

8. Many residents have expressed concerns about what they believe are unwarranted entries into their apartments. We recommend that MPHA specify in their Statement of Policies what are emergency reason as that would allow them to enter an apartment without prior notice. We also support the MTW/RAB position that MPHA should only take photographs of images in apartment that are related to the stated purpose for MPHA entering the apartment and not of images unrelated to the stated purpose.

**MPHA RESPONSE: The Lease defines an emergency as: An unexpected situation of sudden occurrence or a serious and urgent nature that demands attention. Except for the case of an emergency, or a resident approved entry, e.g., completion of a work order, MPHA will give at least a 48-hour notice of entry into a unit. The lease also states that, During any entry permitted by this section, MPHA may take pictures to show damage to MPHA property, unsafe conditions or housekeeping Lease violations.**

9. Where is the statement about inspections. It would be nice to be NOTIFIED when photos are taken of apartments. Now, no notice is given and hoarding is a disability. Photos are taken without notice to the tenant. This photo business was in last year's comments of "things to change." Some managers are vindictive. Notification is the important point.

**MPHA RESPONSE: The Lease in part 15.C.4 states "During any entry permitted by this section, MPHA may take pictures to show damage to MPHA property, unsafe conditions or housekeeping Lease violations." All pictures are private data.**

10. I propose that there be strong negative consequences directed to MPHA staff when they violate the terms of a resident's lease by entering his or her apartment without advance notice -- or for entering for totally frivolous reasons. I propose that negative consequences are also applied to the staff who calls in a work order without notifying the resident involved that a work order has been requested and that someone will be entering the apartment. (Please read the enclosed letter which outlines abuses in this area: blatant lease violations on the part of MPHA staff.)

**MPHA RESPONSE: Thank you for this comment, MPHA staff is required to follow the terms of the lease. We understand there are many inspections; especially with the increase of bed bugs, but unless there is an emergency, staff should not enter units without notifying residents in advance. If the resident is not home staff will leave a card specifying why entry was made.**

11. Residents appreciate that MPHA has recognized the extreme financial burden an increase in minimum rent would place on many residents whose only source of income is General Assistance, and that MPHA is not proposing to increase the minimum rent above \$75 a month.

**MPHA RESPONSE: Thank you.**

12. Residents are in strong agreement with the Resident Advisory Board that security continues to be the number one priority for highrise residents, including improving relationships with the MPD, pursuing improvements in security technology, increasing guard coverage in some buildings and funding for Project Lookout. As you may know, Project Lookout volunteers have helped to stave off crime and other security problems since the major guard cuts four years ago. They now contribute over 60,000 hours of volunteer security service in 29 highrises a year. We thank you for your support of this essential program.

**MPHA RESPONSE: MPHA agrees security is a priority focus for MPHA. MPHA supports Project Lookout and is very appreciative of the thousands of hours residents contribute to this program.**

13. Resident had an outside party buzzing his apartment at 1:00 in the morning. What can be done?

**MPHA RESPONSE: Residents are encouraged to call the MPHA Command Center at 612-342-1987 and for all emergencies to call 911.**

14. Who can scattered site residents call for security concerns and crime?

**MPHA RESPONSE: Residents are encouraged to call 911, the Minneapolis police and inform Management of the situation.**

15. There was a window broken in my building and it took over a month to fix. How does Work Orders respond in a timely manner regarding a tenant concern?

**MPHA RESPONSE: The broken window at 314 Hennepin was a large thermo pane, which needed to be custom made and it needed a crane to lift it into place, this delayed the repair. In general, work orders are prioritized by seriousness of the problem. For example, something that is or will cause injury or damage to a unit or the building is considered an emergency and has the highest priority; other items are prioritized as "urgent", "important", "routine", or "non-routine".**

16. Why do some residents have to continue to live in a studio apartment, while other new residents get to move into one-bedroom units? A resident has been living in a studio for 3-4 years, why can't she transfer to a one-bedroom unit?

**MPHA RESPONSE: Some buildings have more studio apartments than one-bedroom units. Please look at MPHA's offering policy in the Statement of Policies. New residents are offered the unit that is ready and unoccupied the longest. At 1710 Plymouth, residents in studio apartments pay 20% of their income rather than the typical 30%. MPHA is trying a pilot program at the Elliot Twins and 1515 Park where when a one bedroom vacates the resident who has been in a studio the longest is offered that unit and new residents go into the studio units. their name is at the top of the list. Contact your property manager to initiate a transfer.**

17. MPHA should make all studios like 1710 Plymouth where residents in studios pay 20% of their income so more people would choose studios to get all units rented. Some people would choose studios and think 20% instead of 30% would be saving money.

**MPHA RESPONSE: Thank you for the suggestion.**

18. Many residents continue to feel frustrated by the ongoing problem of bedbug infestation in many highrises. Yesterday, our Maintenance, Modernization and Management committee discussed with MPHA staff new possibilities for residents to partner with MPHA on this matter and formed an ad hoc committee to discuss and advance new ideas for combating bedbugs. One of these ideas is to recruit and train resident building ambassadors to assist MPHA in inspecting apartments and advising residents who are experiencing infestation problems. Additional funds for resident stipends should be set aside to support this program.

We also recommend that MPHA purchase two additional heat treatment machines so that there is one for each Asset Management Project.

**MPHA RESPONSE:** Thank you for your comments. Bed bugs are a national epidemic. MPHA continues to monitor and enhance procedures that allow us to improve our ability to respond to the challenges of pest control. MPHA welcomes the partnership with residents and looks forward to working together to combat bed bugs

### **Capital Improvements/Needs**

19. If MPHA has Reserves, why not use those reserves for repair work that needs to be done. Don't buy more property and build more units without repairing the properties MPHA already owns and manages.

**MPHA RESPONSE:** MPHA holds a certain level of reserves, which is 4 months worth of operating costs, for normal cash flow fluctuations, unplanned losses in revenues or unplanned increases in expenses (primarily utilities), and as a cushion for significant HUD funding decreases. Failure to maintain an adequate reserve, which HUD has determined is 4 months of operating costs, places the MPHA at considerable risk. With substantial shortfalls in HUD funding, it is not possible to replace any reserves that are used. The level of needed repair work and building rehabilitation far exceeds the amount of reserves MPHA maintains.

20. Resident stated that recent storms caused flooding in his apartment at night. He reported it, but no one responded right away in the morning - not until afternoon and thus, he lost two carpets.

**MPHA RESPONSE:** MPHA's maintenance staff been to the unit on a couple occasions to observe and better understand the situation. One possibility is that water is seeping in the unit through the window frame. MPHA will investigate further with possible water infiltration test to help identify the cause and come up with a workable solution.

21. Why not new housing capital investments?

**MPHA RESPONSE:** Congress has not provided funding for new public housing development. MPHA has such a backlog of capital needs, capital funds must be dedicated to maintaining MPHA properties.

22. Residents recognize that the vast majority of limited capital improvement dollars must go toward maintaining and repairing critical building systems. As the limited work of rehab of common areas progresses, and in sites where this work is not occurring, residents request that MPHA continue to be mindful of the need for space in the highrises for exercise equipment. Many residents are focused on optimizing their health and areas for exercise in the buildings, especially in the winter months, is in high demand.

**MPHA RESPONSE: MPHA has and continues to work with resident councils and promoting health and wellness activities and opportunities for residents. MPHA encourages tenants to use the ‘Y’ and other programs at the Heritage Park Health and Wellness Center and elsewhere.**

#### **Draft FY2016 Section 8/HCV Administrative Plan**

23. Resident applied for Section 8 in 2008 and has been waiting a long time. Resident will be 65 years old. Is there any way he can move from public housing to top of Section 8 waiting list?

**MPHA RESPONSE: The waitlist for Section 8 is closed and applicants come off the waitlist based upon preferences and placement on the waitlist. Due to the resident already being in subsidized housing, others who have higher preferences will come off the waiting list before a public housing resident.**

#### **General Comments**

24. I live at 1515 Park and am speaking today as a member of the Active Living Advisory Committee. We are working with the Minneapolis Health Dept. and other partners to encourage high-rise residents to lead more active lives. We are focusing on exercise, walking and community vegetable gardening. Last year there was one demonstration community vegetable garden. This year there are seven!

At my building, we are especially proud of our community garden. There are 15 residents involved in planting, weeding, watering and sharing the bountiful harvest. All of the community gardens provide residents with healthy food, exercise and a chance to work together. We greatly appreciate the support MPHA has shown for this project, from helping to pick up donated garden boxes and plants, helping to set up the gardens, and providing access to water. We would love to see this support and encouragement extended to more buildings next year.

Highrise gardens at 1710 Plymouth, 1314 44<sup>th</sup> Ave., and 1515 Park will be included in the September 19 Minneapolis Community Garden Tour. Watch the Lowdown for more details and come join us if you can.

**MPHA RESPONSE: Thank you for your comments. MPHA supports active living and community gardens.**

25. One of the Resident Advisory Board's Guiding Principles and Priorities is continuing Self Help funding. All MPHA activities should pay attention to WMBE/Section 3 and disabled guidelines and use them to assist the housing authority and have the ability to make some money.

**MPHA RESPONSE: The Resident ‘Self Help’ program is important to MPHA and we have consistently funded this program. MPHA has adopted goals to for WMBE and HUD’s Section 3 regulations. We report monthly to the MPHA Board on our progress related to these goals.**

26. How does a tenant get a copy of the HUD regulations?

**MPHA RESPONSE:** Look under HUD Regulations on the internet—24CFR 900 through 1699. The regulations are also available at the top floor of the Government Center in the Law Library. You can also find MPHA’s Statement of Policies and Section 8 Administrative Manual on MPHA’s website at [www.mphaonline.org](http://www.mphaonline.org)

27. Project Lookout Volunteers should be paid stipends. They work long hours and can become burned out.

**MPHA RESPONSE:** Project Lookout was created and is run by MHRC as a volunteer program. The volunteers are trained, organized and recognized a couple of times a year by MHRC, which coordinates the activities. The PLO volunteers help in protecting MPHA buildings is vital and very much appreciated by MPHA.

28. I have been in housing for 30 years and housing had a budget problem. It is important for MPHA to partner with residents for help or ideas for housing issues.

**MPHA RESPONSE:** MPHA residents are the Agency’s most valuable partners. We continually interact with residents through their resident organizations, resident councils, and various committees. Through its partnership with residents, MPHA has identified and implemented numerous strategies for enhancing the quality of life for residents. The MTW process is one of those avenues where residents can provide input and partner with MPHA.

## Legal Aid Comments on Draft 2016 MTW Plan and Supporting Documents

### DRAFT FY2016 ANNUAL MOVING TO WORK PLAN (“MTW PLAN”)

#### Pg. 9--12

29. Not one of the seven (7) “strategic directions” or the multiple goals set for each “direction” adopted by the MPHA to carry out its mission over the next five (5) years addresses the MPHA’s legal obligations to affirmatively further fair housing. The MPHA must revise this section to incorporate those legal obligations throughout the MPHA’s goals, stated in its “strategic directions” and articulated as part of the accompanying goals furthering fair housing informs all of the MPHA’s plans.

**MPHA RESPONSE:** To ‘Affirmatively Further Fair Housing’ is part of the fabric of MPHA’s operations and informs all the agency’s action. MPHA will meet its obligations under the AFFH final rule.

30. The MPHA’s “strategic directions” and accompanying goals are also silent on what the MPHA will do to deconcentrate areas of race and poverty in Minneapolis. These “strategic directions” and goals must also be revised to address the MPHA’s plans for deconcentration.

**MPHA RESPONSE: Thank you for the comment. See response above.**

**Attachment B Pg. 13**

31. Where will these 10 new public housing units to be added in this fiscal year be located?

**MPHA RESPONSE: MPHA has not identified the sites or financing opportunities at this time. Site selection will follow HUD regulations on Site and Neighborhood Standards found 24 CFR Chapter IX and based on availability and financing.**

**Pg. 14**

32. Where are the 3 public housing units to be removed in this fiscal year located?

**MPHA RESPONSE: MPHA has not identified the three (3) public housing units to be removed. This will depend upon need and analysis of unit condition and/or market conditions.**

**Pg. 17**

33. The MPHA describes possible disposition of single family units to be replaced with units for very large families. Are the units discussed in this section in addition to the 3 units planned for removal on pg. 14?

**MPHA RESPONSE: These units would not be in addition to the three (3) units referred to above.**

**Pg. 17**

34. MPHA states that it is exploring RAD and other options for the 184 public housing family units at Glendale. The information posted by MPHA to its Glendale Townhomes RAD link in mid-July, 2015 does not indicate that other options are being explored. The MPHA’s posted message states that the MPHA has HUD approval to submit a RAD application for Glendale. However, a public hearing around that time was cancelled and a month delay by the MPHA was reported in the Minneapolis Star Tribune. Is the MPHA going to submit a RAD application for Glendale, or, pursue some other redevelopment option?

**MPHA RESPONSE: MPHA will clarify its communications on this matter in the final plan. MPHA has committed to work with Glendale residents, the neighborhood organization and the City of Minneapolis to consider multiple options related to the challenges facing Glendale. Because of time needed to complete this analysis, HUD's holding of 184 units for a potential RAD application will likely expire in July of 2016.**

**Pg. 19**

35. The MPHA cites the Northside Achievement Zone as a solution to its problems leasing the 59 scattered site units in the NAZ. How many of the 59 scattered site units are vacant? Families willing to lease one of those units are allowed to apply despite the closed waiting list. How does a family make its willingness to rent one of the units in the NAZ known to the MPHA so the application can be processed?

**MPHA RESPONSE: MPHA has turnover in these unit as all units. Vacancy changes daily. Applicants must provide MPHA with a letter from NAZ indicating that they are a program participant.**

36. MPHA describes its use of rent based on 20%, rather than 30%, of annual income to respond to its leasing barriers at 1710 Plymouth highrise. Has the lowered rent for those units perceived to be less desirable improved vacancy rates at the 1710 Plymouth building? If so, will the MPHA use the same method to respond to the vacancy rate problems it states that it has at three (3) other buildings. What are the addresses of those three (3) other buildings?

**MPHA RESPONSE: The reduction of % charged for studio units is helpful in reducing unit turnover time. MPHA is not considering this method for any other buildings.**

37. Why is the MPHA unable to assess the success or failure of the strategy of filling 1 BR units in a building with current residents who have lived the longest in the less desirable efficiency units in the building? If a strategy cannot be assessed for success or failure to respond to a problem why is that strategy still used?

**MPHA RESPONSE: This policy while popular with residents creates extra work as each time a one bedroom opens a residents transfer, then that additional vacancy must be readied for re-rent. Success or failure will be determined after a number of years to see if residents remain in the building for a longer tenure.**

**Pg. 20**

38. The MPHA reports that in 2015 it found 77% of Section 8 families rented within 90 days. What happened to the other 23% of the families? What percentage of those 23% were able to rent with extended search times? What percentage of those 23% were unable to locate rental units and had their Vouchers expire?

**MPHA RESPONSE: Of the 23% and additional 10% located units and went under lease. 13% of the families had their vouchers expire.**

39. The MPHA states that one of the solutions it will use to improve its Mobility Voucher Program is the hiring of a consultant with mobility counseling experience. When will this new staff be in place?

**MPHA RESPONSE: MPHA expects to recruit for the new Mobility Coordinator soon; ideally, we want the Coordinator in place at the start of Fiscal Year 2016.**

**Pg. 21**

40. The MPHA reports only one (1) family has gone through its Lease to Own (LTO) program. In light of this limited success why does this program still exist? On page 7, it appears that the MPHA is going to wait another year before ending this effort, stating that the MPHA is “beginning to consider alternative strategies for this initiative”. What are those alternatives?

**MPHA RESPONSE: MPHA currently has 18 LTO participants. This is a unique program that provides eligible families with up to 5 years to position themselves to be ready to purchase their home. 2016 will be the 5<sup>th</sup> year for its initial participants to demonstrate mortgage readiness.**

**Pg.23--27**

41. What definition of “self-sufficiency” will be used to assess how many households will transition to “self-sufficiency” as a result of the activities carried out under the Shelter to Housing Activity 1?

**MPHA RESPONSE: Self-sufficiency will be defined as an ability to find alternative affordable housing to the housing provided under the Shelter To Housing initiative.**

**Pg. 47**

42. Has the MPHA conducted a research and market analysis on local rents updating the subsidy tables used in its Rent Reform experiment referred to in Paragraph 7? If so, when was this done and by whom?

**MPHA RESPONSE: Yes. Program Analyst completes market rent review by the third quarter of the fiscal year. HCV Supervisors, Program Analyst and Managing Director review the data analysis against HUD's proposed FMRs, determine potential changes in payment standards and make recommendations to the Budget Committee, which sets the HCV's annual budget.**

**Pg. 47**

43. Paragraph 9 contains a definition for Area of Concentrated Poverty. Is this the same definition used since the inception of the MPHA's Rent Reform experiment?

**MPHA RESPONSE: MPHA did not define "Areas of Concentrated Poverty" under Rent Reform. MPHA is revising and expanding housing opportunities through the portability policy under Rent Reform. MPHA has expanded the definition to include Racially Concentrated Areas of Poverty (RCAP) in both the portability policy of Rent Reform and in the Mobility Program.**

Paragraph 9 lists the criteria for porting out of Minneapolis with a MTW Voucher in the MPHA's Rent Reform experiment. The move to a non-Area of Concentrated Poverty (ACP) criterion is new. When was this criterion adopted by the MPHA and its Board? When was it added to portability feature of the MPHA's Rent Reform experiment and made effective for participants? Why is this criterion not listed on the MPHA's website regarding portability or Rent Reform [www.mphaonline.org/section-8/participants/hcv/moving-with-assistance/](http://www.mphaonline.org/section-8/participants/hcv/moving-with-assistance/) (Accessed 8/21/2015)? Why is this criterion not included in the Draft FY2015-2016 Administrative Plan, at 10-II.B., Pg.10-6—10-7? How many MTW Voucher holders have requested to port based on this criterion since it was added to the Rent Reform experiment? How many of those requests to port based on this non-ACP criterion have been granted?

**MPHA RESPONSE: This criterion is expected to be adopted by the Board in September and then sent to HUD for approval. After, the criterion will be added to MPHA's website and Admin Plan. This port out reason will go into effect on January 1, 2016; no participant; therefore has requested to port out citing this reason.**

**Pg. 52**

44. In Paragraph L.3., the MPHA states that it will reevaluate on an annual basis its Rent Reform experiment that began January 1, 2014. We are aware of the report to the Board of Commissioners dated April 23, 2014. When have there been other evaluations of the MPHA's Rent Reform experiment?

**MPHA RESPONSE: MPHA completed HUD's evaluation process through the required 2014 MTW Report.**

**Pg. 53**

45. At 4.b., paragraph 3, the MPHA states that its Hardship Review Committee considering hardship exemption requests from participants in the Rent Reform experiment will make its decision within 30 days after receiving the Hardship Request Form and supporting documentation. This timeline is too long to effectively resolve the Voucher holder's rent crisis as a result of the Rent Reform minimum rent increase and prevent eviction. The Owner has no reason to wait 30 days for the payment of the tenant's portion of the rent that cannot be paid. The Owner has no reason to wait for up to 30 days for the MPHA to approve a hardship exemption, recalculate the HAP payment and the tenant's portion of the rent and send additional funds to landlord so she is paid the full rent. The current high-rent levels and low-vacancy rate will drive the Owner to evict the Section 8 family for nonpayment in favor of a tenant from whom the rent is forthcoming in full in a reliably timely manner. The MPHA should revise this timeline for the determination by the Hardship Review Committee to 7 days to make a determination. The MPHA policy should also require the MPHA Section 8 staff to immediately inform the Owner that a hardship exemption has been granted and the rent will be paid in full by the MPHA's additional payment of the recalculated HAP amount within 7 days. Some Owners will still find this delay intolerable and move to eviction but some may find they can wait for the shorter time for payment when they could not wait more than 30 days.

**MPHA RESPONSE: MPHA has not had this specific scenario occur and have no reason to anticipate that it will.**

**Pg. 54**

46. The MPHA Hennepin County Interim Housing Demonstration Initiative is acknowledged by the MPHA as underutilized, with only two (2) of the set aside eight (8) units used by only seven (7) people since January 1, 2014. The MPHA's projected utilization figure was 48 people in the experiment's first year and the Hennepin County estimated that there are 100 people a year in need of the service this experiment provides. The MPHA opines that more people at Hennepin County Medical Center (HCMC) need to be aware of the experiment to increase the usage. There is nothing in the MTW Plan about how the MPHA is going to increase awareness of this experiment to increase its usage to meet its 2016 Benchmark.

Meanwhile according to this section of the Draft FY2016 MTW Plan, 8 units of public housing are off line and unavailable to anyone on the public housing waiting list of 5,801 people (FY2016 Draft MTW Plan, pg. 20).

**MPHA RESPONSE: MPHA has two (2) units currently in this program, the additional six (6) continue to house public housing residents, and will continue to do so until such time as additional units are needed for this initiative.**

47. The week of August 20, 2015 we asked a few Hennepin County social workers and case managers who work with people with disabilities, who work with homeless people using shelter beds upon release from HCMC, and who work with vulnerable adults in housing crises if they knew of this experiment using MPHA housing resources. None of them had heard of this MPHA experiment though they agreed that their current or past clients could have used its services. One case manager made some calls and found someone at HCMC who had heard of the program. All of the service providers we spoke to thought MPHA needed to make the experiment known to the Hennepin County Human Services staff who routinely work with the populations this experiment is designed to serve. One suggestion we heard was to broaden the experiment beyond Hennepin Health to reach more likely referrals of the target population. The MPHA has chosen to use its resources in this experiment so it must now take concrete action on a clearly articulated plan described in its MTW Plan to increase awareness and increase usage to make the experiment actually work and increase the numbers served by this experiment.

**MPHA RESPONSE: MPHA will share this comment with Hennepin Health who is responsible for coordinating access to this program.**

#### **Pg. 69**

48. On pg. 66 of the Draft FY2016 MTW Plan the MPHA states that the Public Housing Working Family Incentive, begun in 2011, resulted in a loss of revenue for the MPHA. On pg. 69 the MPHA expects a revenue increase of \$18,000,000 for 2016 as a result of this experiment. What is going to change in 2015 to produce this turn around with this experiment?

**MPHA RESPONSE: MPHA's revenue is reduced each year due to the 15% reduction in amount included in the rent calculation for earned income. The matrix on page 69 is overall rental revenue, not just revenue from those whose rent is reduced by the working family incentive.**

#### **Pg. 70**

49. This section of the Draft FY2016 MTW Plan regarding minimum rent of \$75 states that there is no minimum rent for elderly or for disabled residents, and that they pay rent of 30% of income. In the Draft FY2016 Statement of Policies, VII.4.C., pg. 40, these exceptions to minimum rent have been omitted. The MPHA must revise the Statement of Policies.

**MPHA RESPONSE: Thank you for the comment. MPHA will make this change in the Statement of Policies (SOP).**

**Pg. 83**

50. There is no definition of self sufficiency for measurement of households transitioned to self sufficiency of the Rent Reform Public Housing Two Year Income Disregard begun in 2010. What measure will the MPHA use?

**MPHA RESPONSE: Thank you for the comment. The unit of measure for self sufficiency for this matrix is being currently employed.**

**MPHA will correct the plan.**

**Pg. 84**

51. The MPHA reports that despite expansion of the area to which participants in this experiment could move, the MPHA still had difficulty finding people who met the experiment's criteria and those who did participate still could not find housing that met the experiment's criteria and the MPHA still could not find people who met the experiment's criteria. For those who did find housing located in areas that fit the experiment, the MPHA reports that 17% moved back to areas of concentrated poverty after the mandatory 3 years in the "area of opportunity". The MPHA response to these issues described in this section is money—for payments to Voucher holders, for payments to potential landlords, and to pay a Mobility Coordinator. When will the Mobility Coordinator begin work? Did the MPHA consider changing the criteria for the families so a higher rate than the reported 5 out of 60 applicants from the Section 8 Waiting List might meet the requirements? Will the MPHA continue to offer participation in this experiment to people on its Section 8 Waiting List as it describes it did with the effort that produced 5 out of 60 applicants for the experiment?

**MPHA RESPONSE: MPHA does not plan to change the criteria but will expand our search for potential families by also including the participants already in the program.**

**MPHA Draft FY2015-2016 Low-Income Public Housing Statement of Policies (ACOP)**

**Family Policies**

A number of points in the MPHA's Draft Statement of Policies concerning how the MPHA interacts with an applicant or resident family require revision. In addition to any suggestions about those individual sections *infra* the following will clarify the legal bases for those suggestions.

52. Family is defined by law at 24 C.F.R. §§ 5.403, and 960.102 (2014). The MPHA Statement of Policies must follow those definitions. At points in the Draft Statement of Policies where the MPHA proposes adding conditions to those definitions that exceed its legal authority, the Draft Statement of Policies must be revised.

**MPHA RESPONSE: See response below #56.**

53. There is only one subset of family members recognized by law and assigned particular obligations -- the head of household. 24 C.F.R. §§ 5.403 and 960.259 (2014). The MPHA's Draft Statement of Policies may not intrude into family relationships to direct how the family designates its head of household. 24 C.F.R. §§ 5.403 and 960.102 (2014). Beyond the purposes of determining income eligibility and rent, the MPHA does not have the legal authority to dictate which adult family member the family chooses to designate head of household. The law does not otherwise distinguish between original family members, subsequent family members or recognize any subset of family members as "original family members" or "add on members". The Draft Statement of Policies must be revised at points in the Draft where the MPHA proposes subsets of family members and assigns them diminished rights. See, Part VI, 1.C., pg. 36; Part VI, 2.F., pg. 38; Part XII, 1.C., pg. 55.

**MPHA RESPONSE: See response below #54.**

54. The MPHA must know who lives in the public housing rental unit so income and rent are properly calculated. When a new person joins the family, the family must report that new person living in the home to the MPHA. 24 C.F.R. §§ 960.4 and 960.259 (2014). The scope of the MPHA's legal intrusion into family matters when this occurs depends on whether the additional member is an adult or a child. An adult joining the family must pass public housing financial and background screening for eligibility. 24 C.F.R. §§ 960.259 and 5.903 (2014). This is the only legal authority granted to the MPHA to screen a new adult family member for eligibility. The new family member who has passed the eligibility requirements has the same legal rights and obligations as any other family member. There are no subsets of family membership with lesser rights or obligation under the law. The MPHA does not have the legal authority to create such subsets with diminished rights. The Draft Statement of Policies must be revised where the MPHA proposes limiting the rights of a new family member. See, Part VI, 2.F., pg. 38. When the new person joining the family is a child, verification of custody may be required.

**MPHA RESPONSE: HUD regulations do not define a lease add-on. The HUD Guidebook states that a tenant must wait for a PHA's approval before adding any "other occupant" including a Live-in Aide to their household. HUD Guidebook p. 192. "Other occupant" is not a person who came off MPHA's waitlist. "Other occupant" would not be eligible for housing but for some kind of relationship with a tenant. As**

such, like a live-in aide, other occupant does not have lease hold rights when the Head of Household leaves public housing—except in the case of a death. This rule gives integrity to the wait list.

55. Who lives in the rental unit, who is temporarily absent and who no longer resides there, is relevant to income and rent calculation. Although the family is required by law to inform the MPHA of who lives in the home and who no longer lives in the home, 24 C.F.R. 966.4 and 960.259 (2014), the family is not required by law to seek pre-approval from the MPHA for any individual family member’s absence. The family is not required by law to provide verification to the MPHA of the need for an individual family member’s absence. The MPHA has MTW authority to disallow reduction of rent when reduction of income is based on absence from public housing for more than 30 days. The MPHA’s proposed Statement of Policies exceeds the authority of this narrow limitation on calculation of rent based on income in the MTW Agreement and must be revised. See, Part XI, 1., pg. 54; Part XII, I.B., pg. 55.

**MPHA RESPONSE: Tenants are assigned units depending upon the size of their household. A Tenant Family must use the unit as their sole and principal place of residence. A Head of Household who is gone from the unit for more than 90 calendar days is not using the unit as their sole and principal place of residence. A tenant does not seek MPHA’s “approval” to be absent from the unit. The tenant informs MPHA of the absence. MPHA needs to know who is living in the unit and who is not for safety reasons, to prevent sub-letting, to avoid over housing and others.**

## **Introduction**

### **Pg. 1**

56. The MPHA must revise this section to comply with the Equal Access Rule, 77 F.R.5662 (Feb. 3, 2012) and HUD PIH 2014-20 (HA) (August 20, 2014) related to discrimination based on actual or perceived sexual orientation, gender identity, or marital status. The MPHA must take a number of specific steps pursuant to PIH 2014-20. Revision of the non-discrimination statement in this section of the Statement of Policies is just the first of many revisions that are required in the Draft to bring the Statement of Policies into compliance with the Equal Access Rule. We have noted some of the revisions required by the Equal Access Rule and PIH 2014-20 *infra* but a careful review by the MPHA is of course necessary. When this issue was raised with the MPHA in September 2014, the MPHA asserted that it does not discriminate against protected classes or based on sexual orientation or gender identity. The MPHA generally cited its historical record in support of this platitude. This misses the point of HUD’s explicit instructions for changes the MPHA must make in its Statement of Policies pursuant to the Equal Access Rule. The MPHA’s policies, practices, procedures and protocols are not in compliance despite the MPHA’s assertion in September 2014 to the contrary. The MPHA’s choice to forego making the necessary revisions to comply with the Equal Access Rule and PIH2014-20 risks use of MPHA resources to defend legal challenges to its policies and actions based on them. See comment *infra* at Previously Noted Issues regarding this issue.

**MPHA RESPONSE: MPHA's non-discrimination statement includes actual or perceived sexual orientation, gender identity, or marital status. With regard to issues below related to family, MPHA's definition of family is more inclusive than the definition cited and includes all persons with or without children residing together. Nonetheless, MPHA will change its definition of family to mirror the HUD definition.**

**Part I**

**Pg. 9**

57. In its definition of "Child Care Expenses" the MPHA proposes that it "will periodically conduct a survey of area child care providers to determine reasonableness" of charges for child care. Periodically is a vague term. How often will the MPHA make this review? What standard will be used to determine reasonableness? Will these charges determined to be reasonable be posted for public notice-and-comment before they are adopted and used to calculate a resident's income and rent?

**MPHA RESPONSE: Thank you for the comment. MPHA decided to remove this addition to the definition.**

**Part I**

**Pg. 13**

58. The MPHA must correct the definition of "Extremely Low Income" to comply with the law. Section 238 of the 2014 Consolidated Appropriations Act, Title II of Division L of Public Law 113-76, 128 Stat. 5, approved January 17, 2013, modified and redefined ELI so it is not determined solely by the area median income. ELI is now defined as very low income families whose incomes do not exceed the higher of the Federal poverty level or 30% of Area Median Income. 79 F.R. 35940 (June 25, 2014) effective July 1, 2014.

**MPHA RESPONSE: Thank you for the comment. MPHA will make this change.**

**Part I**

**Pg. 13**

59. The MPHA must revise the definition of "Family" to comply with the requirements of the Equal Access Rule 77 F.R. 5662 (Feb. 3, 2012) and HUD PIH 2014-20 (HA) (August 20, 2014). If the MPHA chooses not to make the necessary revisions to comply with the law it risks use of MPHA resources to defend legal challenges to its choice.

**MPHA RESPONSE: MPHA's definition of family is more inclusive than the definition cited and includes all persons with or without children residing together. Nonetheless, MPHA will change its definition of family to mirror the HUD definition.**

**Part I**

**Pg. 13**

60. The definition of “Formal Repayment Agreement” is incomplete. The definition is drafted to describe the terms of a repayment agreement so the definition must include those terms mandated by HUD in PIH 2010-19. The definition must be revised to include the limitation on the amount of the monthly payment that MPHA may require. This is too significant a provision to omit. The definition must include that the monthly retroactive rent payment plus the amount of rent the tenant pays at the time the repayment agreement is executed should be affordable and not exceed 40 percent of the family’s monthly adjusted income. PIH 2010-19 (May 17, 2010), Paragraph 16. If the MPHA chooses not to make the necessary revisions to comply with the law it risks use of MPHA resources to defend legal challenges to its choice.

**MPHA RESPONSE: MPHA’s repayment agreements comply with the minimum requirements of the HUD notice. While HUD stated the amount should be affordable and not exceed 40 percent of the family’s monthly adjusted income, this is not a requirement.**

**Part I**

**Pg. 14**

61. The MPHA must correct the definition of Head of Household by removing the final sentence of this paragraph. There is no legal authority for eviction of the family when the Head of Household is away from home for more than 90 days. See comment *supra* at Family Policies. The MPHA’s choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: Federal regulation requires the HOH to use the unit as their sole and principal place of residence. An absence of over 90 days is a violation of this regulation.**

**Part I**

**Pg. 14**

62. The definition at #51 of “Immediate Family Member” should be deleted. This term no longer appears in VAWA 2013, having been replaced by “Affiliated Individual” which the MPHA has defined at #2 on Pg. 2.

**MPHA RESPONSE: MPHA will delete the term "immediate Family Member".**

**Part I**

**Pg. 17**

63. The MPHA must revise the definition of “Minnesota Family Investment Program”. It refers to a definition of AFDC and there is no definition of AFDC in the Draft Statement of Policies.

**MPHA RESPONSE: Thank you for the comment. MPHA will correct this definition**

**Part I**

**Pg. 18**

64. In regard to the MPHA’s definition of “Notice”, see comment *infra* at Previously Noted Issues.

**MPHA RESPONSE: HUD does not define the term Notice or reasonable. MPHA’s definition is reasonable.**

**Part I**

**Pg. 19**

65. The MPHA’s must revise the proposed language regarding retroactive rent to eliminate shifting responsibility to the resident for loss of rent revenues resulting from MPHA error. 24 C.F.R. § 966.6 (2014) prohibits exculpatory clauses in public housing leases. The MPHA’s choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: This broad reading of the regulation would make it impossible for a PHA to correct any error—even a simple math error. According to HUD in PIH 2010-19, HUD does not authorize any PHA sponsored amnesty or debt forgiveness. MPHA believes a tenant should pay 30% of their adjusted income as rent.**

**Part I**

**Pg. 21**

66. The definition of “Substandard Housing” erroneously includes the definition of “Homeless Family”. It would be clearer and more useful to have the definition of “Homeless Family” as a separate definition and only reference it in the “Substandard Housing” text.

**MPHA RESPONSE: Thank you for the comment. MPHA declines to make a change.**

**Part II**

**3.D.**

**P. 23**

67. The evidence requirements imposed by the MPHA in this section do not comply with federal law or HUD regulations. MPHA is required by PIH 2014-20 (HA) (August 20, 2014), Paragraphs 3 and 4, to revise its Statement of Policies to reflect the definition of “family” in 24 CFR § 5.403 (2014). The language proposed in the MPHA’s Draft Equal Access Rule, 77 F.R. 5662 (Feb. 3, 2012), the subject of PIH 2014-20, and the federal regulation cited *supra* by imposing definitions of family that are too narrow. The MPHA must revise this draft language to avoid the risk of using MPHA’s limited resources to defend legal challenges to it.

**MPHA RESPONSE: MPHA’s definition of family is more inclusive than the definition cited and includes all persons with or without children residing together. Nonetheless, MPHA will change its definition of family to mirror the HUD definition.**

**Part II**

**4.D.**

**7)**

**Pg. 25**

68. In paragraphs D.7) and E.1) of this section the MPHA proposes denial of admission for five (5) years after an applicant has vacated a rental home pursuant to a notice to vacate. In paragraph E.8) of this section the MPHA proposes denial of admission by limiting reapplication for three (3) years from the date the applicant has vacated a rental home pursuant to a notice to vacate. The MPHA must revise each of these sections. In each of these paragraphs, the MPHA draws an extreme and adverse inference from a basic factual scenario, i.e., the common situation in which a tenant moves after getting a notice to vacate. The MPHA apparently assumes some negative conduct or culpability on the part of the resident when most of the reasons that a resident might move following a notice to vacate do not constitute an admission of responsibility or wrongdoing related to the reasons for the notice to vacate, if any. The MPHA then uses the baseless assumption implied by each paragraph to deny an applicant access to a housing opportunity with the MPHA. This is wrong. Generally speaking, neither landlords nor tenants provide any reason for giving a notice to vacate or to end a tenancy, since no reason is required under Minnesota law. In these policies, the MPHA assumes negative information about an applicant without any factual basis to do so, let alone a logical nexus between an applicant’s suitability for public housing opportunities and the applicant’s move from a rental home after getting the type of notice required for ending any tenancy in Minnesota for any reason or no reason at all.

**MPHA RESPONSE: Paragraph D. 7 involves residential programs and paragraph E.1 involves MPHA and both involve a lease termination or an eviction. An applicant may assert VAWA protection or a reasonable accommodation, and MPHA may consider the date and circumstances when applying these clauses. These clauses are permissible and reasonable.**

**Part II**

**4.D.**

**13)**

**Pg. 25**

69. This mandatory denial of an applicant for methamphetamine manufacture or production is incorrect. The MPHA must revise this section to correctly state that the mandatory denial applies to convictions for the manufacture or production on the premises of federal assisted housing. 24 C.F.R. § 960.204 (a) (3) (2014).

**MPHA RESPONSE:** MPHA has discretion to craft admission policies. Denial of admission for methamphetamine manufacture is reasonable given the obvious dangers involved in the manufacturing of methamphetamine. .

Part II

4.E.

1)

Pg. 25

70. See comment *supra* at 4.D.7), Pg. 25.

**MPHA RESPONSE:** See the above response.

Part II

4.E.

6)

Pg. 26

71. The prohibition against removal of the culpable family member from the applicant's household in this section directly contradicts the MPHA's language at section 4.F.4), pg. 26. The MPHA must revise this section to be internally consistent and to comply with the federal regulation. 24 C.F.R. § 960.203 (c) (3) (i) (2014).

**MPHA RESPONSE:** These provisions are not inconsistent. One involves removing a current member of the household from the application; the other involves a former member of the household who has not been a household member for a reasonable amount of time.

Part II

4.E.

8)

Pg. 26

72. See comment *supra* at 4.D.7), Pg. 25.

**MPHA RESPONSE:** See corresponding MPHA response.

Part II

**5.C.**

**Pg. 27**

73. There is no legal requirement that an applicant must make a timely request for an administrative appeal hearing regarding her application denial to preserve her right to seek the protection of a judicial proceeding. MPHA statement that this right “may be waived” only serves as a chilling effect on uninformed applicants. The MPHA must revise this section to remove the misstatement.

**MPHA RESPONSE: Thank you for the comment. MPHA disagrees that this is a misstatement and declines to make a change.**

**Part II**

**5.E.**

**Pg. 28**

74. The Draft proposes removal of all mention of an applicant’s right to reasonable accommodation (RA) in the application process or to comply with the lease. The Draft proposes removal of all information about how to request an RA in the application process and how the MPHA will process that request for an RA. The MPHA has not proposed replacing these deletions with any reference in this section to its Reasonable Accommodation Policy in Part XXI of the Statement of Policies. The MPHA must revise this section so the deleted information is returned to the text or a statement that a person with disabilities may find RA information in Part XXI. The MPHA should make at least a minimal effort to help applicants with disabilities exercise their civil rights.

**MPHA RESPONSE: Thank you for the comment. This paragraph was moved to the RA policy to facilitate use of the policy by having all RA information in one location.**

**Part III**

**4.**

**Pg. 29**

75. Should “Up-front Verification” be EIV?

**MPHA RESPONSE: Yes, thank you MPHA will correct this section.**

**Part III**

**2.C. 5) and D.**

**Pg. 33**

76. The MPHA must amend these sections to allow an applicant family who fails to provide documents or attend meetings or is removed from the waiting list to extended time, reschedule meetings or request return to the waiting list as a reasonable accommodation (RA) if the family’s failure to respond or attend was due to the applicant’s disability. There also should be a reference to the MPHA’s Part XXI Reasonable

Accommodation Policy. The MPHA's choice to adopt these policies without necessary revisions risks use of MPHA resources to defend legal challenges to them.

**MPHA RESPONSE: Like any MPHA policy, an applicant/tenant may request a reasonable accommodation as an exception to the policy. MPHA declines to add the requested language to this particular provision over other provisions.**

**Part III**

**5.C.**

**4.**

**Pg. 34**

77. Common sense requires that the MPHA revise the language in this section to give the family a time line by which it must make its request for a second offer rather than leave it open-ended and unclear as it is currently proposed.

**MPHA RESPONSE: Thank you for the comment. MPHA will limit the time an applicant has to make this request.**

**Part VI**

**1.C.**

**Pg. 36**

78. The MPHA misstates the law in this section when it designates the grievance of denial of the addition of a family member as an applicant appeal by the person joining the family. The tenant has the right to grieve the denial of an addition to the family under 24 CFR 966.53 (a) (2014). The MPHA must revise this section to comply with the law. See also comment *supra* at Family Policies. The MPHA's choice to adopt this policy without revision risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: Under this scenario, MPHA is not denying the tenant a right to request a lease add-on or to have a lease add-on; MPHA is denying the particular applicant add-on admission due to some disqualifying criteria. MPHA declines to make the requested change. Also, giving the Tenant a hearing would violate the applicant's Data Privacy rights.**

**Part VI**

**1.E.**

**Pg. 36**

79. The five (5) year exclusion in this section contradicts the three (3) year exclusion in Part II, 4. E.8). See comment *supra* at 4.D.7), Pg. 25.

**MPHA RESPONSE: Both provisions require a three-year wait period; please review Part VI 1.E on p.36 again.**

**Part VI**

**2.D.**

4)

**Pg. 37**

80. The evidence requirements imposed by the MPHA in this section do not comply with federal law or HUD regulations. MPHA is required by PIH 2014-20 (HA) (August 20, 2014), Paragraphs 3 and 4, to revise its Statement of Policies to reflect the definition of “family” in 24 C.F.R. § 5.403 (2014). The language proposed in the MPHA’s Draft the Equal Access Rule, 77 F.R. 5662 (Feb. 3, 2012), the subject of PIH 2014-20, and the federal regulation cited *supra* by imposing definitions of family that are too narrow. The MPHA must revise this draft language to avoid the risk of using MPHA’s limited resources to defend legal challenges to it.

**MPHA RESPONSE: The MPHA's definition of family is more inclusive than the definition cited and includes all persons with or without children residing together. Nonetheless, MPHA will change its definition of family to mirror the HUD definition.**

**Part VI**

**2.F.**

**Pg. 38**

81. The MPHA cannot terminate a family’s lease for the reason proposed in this paragraph. The MPHA must revise this section so it complies with the law at 24 C.F.R. § 966.4 (I) (2014). The MPHA revision must also remove any diminution of rights for family members based on their perceived status as original family members or what the MPHA terms “add-ons”. See comment *supra* at Family Policies. The MPHA’s choice to adopt this policy without the necessary revisions risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: 24 C.F.R. § 966.4(I) does not prohibit MPHA from terminating the lease for the reason proposed in this paragraph. This provision is necessary to promote fairness to those on the wait list and maintain wait list integrity.**

**Part VII**

**4.C.**

**Pg. 40**

82. In its Draft FY2016 MTW Plan, pg. 70, the MPHA states that there is no minimum rent for elderly or for disabled residents and that they pay rent based on 30% of their income. The MPHA must revise this section of the Draft Statement of Policies to include those two (2) exceptions.

**MPHA RESPONSE: Please see response above.**

**Part VIII**

**1.E.**

**Pg. 46**

83. This section proposes a resident transferring from one MPHA unit to another must move within three (3) days. The MPHA should make the time period the resident has to move longer than three (3) days. Such a short time to move is an extreme hardship. In addition, the MPHA should clearly identify when this lengthened time period begins.

**MPHA RESPONSE: MPHA has not received any complaints from residents regarding this provision being a hardship.**

**Part VIII**

**1.F.**

**Pg. 46**

84. The transfer fee the MPHA proposes imposing upon residents is described as “an administrative and maintenance fee” to make the unit the resident is leaving “ready to rent”. The transfer fee in the Sales and Service Charge Schedule “C”, 12., pg. 117, is \$400 for residents who have lived in MPHA housing fewer than five (5) years and \$200 if a MPHA resident “for 5 & 10 years”. These fees are shockingly large. As a fee to cover maintenance costs to ready the original unit for a new resident, a flat fee like this has no relationship to the condition of the unit vacated and is more a liquidated damage than a necessary maintenance fee. If the transfer fee covers maintenance needed to ready the unit for a new resident, why is there a higher fee reflecting more maintenance assessed for the unit occupied for shorter time, less than rather than more than five years? It is hard to imagine that the MPHA could incur administrative fees amounting to these fee amounts. The transfer fees must be revised to more accurately reflect real expenses incurred by the MPHA in preparing the vacated unit.

**MPHA RESPONSE: This fee is much less than the actual cost to prepare a vacant unit. MPHA assumes Legal Aide is not suggesting we raise this fee to the actual cost of turning the unit.**

**Part VIII**

**2.B.**

**Pg. 47**

85. See comment *supra* Part VIII, 1. E., Pg. 46.

**MPHA RESPONSE: See corresponding MPHA response.**

**Part X**

**5**

**Pg. 52**

86. Should Up-front Verification here be EIV?

**MPHA RESPONSE: Thank you, MPHA will correct this section.**

**Part XI**

**1.**

**Pg. 54**

87. This paragraph as drafted exceeds the MPHA's authority under its MTW initiative described in its Draft MTW FY2016 Plan at pg. 64. The waiver granted in the MPHA's MTW Amended and Restate Agreement, Attachment C., Paragraph 11, permits the MPHA's disallowance of rent reduction based on loss of income based on absence from the unit for over 30 days. This MTW experiment involving income calculation and rent reduction does not authorize the MPHA's additional provision that it asserts allows termination of the lease for failure to give advance written notice of an absence for over 30 days. The MTW experiment authorized by the MPHA's MTW Amended and Restate Agreement, Attachment C., Paragraph 11 for disallowance of rent reduction in the narrowly defined circumstances of the Absence From Unit Initiative also does not authorize the MPHA's additional provision that is asserts allows termination of the family's lease if the head of household or co-head of household is away from home for more than 90 days. The MPHA must revise this paragraph to narrow its scope and substance to the actual terms of the MTW Agreement. See also comment *supra* at Family Policies. The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: MPHA declines to make the requested change.**

**Part XII**

**1.B.**

**Pg. 55**

**2)**

88. The proposed language about the instances in which the MPHA will bypass its grievance procedure when terminating a lease is an incorrect statement of the law. The MPHA must replace paragraph "2) any activity that may threaten..." with the correct legal standard of "2) any criminal activity that threatens...". This is a significant omission that results in a draft policy that exceeds the MPHA's legal authority. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE:** MPHA declines to make the requested change. The law states that MPHA may bypass the grievance for a termination that involves “any activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other tenants or employees of the public housing agency . . . .” 42 U.S.C. § 1437d(k).

Part XII

1.C.

4

Pg. 55

89. The MPHA must revise this paragraph to comply with the law. A tenant denied the addition of a family member has the right to grieve that adverse action by the MPHA. 24 C.F.R. § 966.53 (2014). See comment *supra* at Family Policies. The MPHA’s choice to adopt this policy without revisions exposes it to the risk of use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE:** MPHA declines to make the requested change.

Part XII

2.E.

6)

Pg. 57

90. See comment *supra* regarding Part I, Pg. 18.

**MPHA RESPONSE:** See corresponding MPHA response.

Part XII

2.F.

Pg. 58

91. The reference “as defined in Section (C.3)” in the last line of this section is unclear as to which C.3 it refers.

**MPHA RESPONSE:** Thank you, MPHA has clarified this citation.

Part XII

Pg. 59

92. This section must be renumbered, F.3. is missing.

**MPHA RESPONSE:** Thank you. MPHA made this correction.

## Part XII

### 2.I.

#### Pg. 62

93. The Draft proposes removal of most of the information needed for a resident to exercise her right to reasonable accommodation (RA) in the context of the MPHA's grievance procedure. The MPHA has not proposed replacing these deletions with any reference in this section to its Reasonable Accommodation Policy in Part XXI of the Statement of Policies. The MPHA's proposed language limits the forum to request an RA to a property manager, as opposed to a hearing panel in a MPHA administrative hearing. This policy illegally limits a resident's opportunity to assert her/his civil rights. The resident may make an RA of the MPHA at any time in her/his interaction with the MPHA. The MPHA must accept, review and make a decision about an RA no matter when it is received. *Radecki v. Joura*, 177 F3d 694 (8<sup>th</sup> Cir. 1999). The MPHA must revise this section to comply with the law. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: The whole 'J' section was meant to be deleted and relocated to the RA policy. MPHA does not limit the forum or time when an RA may be requested.**

## Part XIII

### 2.F.

#### Pg. 63

94. HUD PIH 2015-12 "Administering the Community Service and Self-Sufficiency Requirement (CSSR) (August 13, 2015)" was issued after the MPHA's Draft FY2015-2016 Statement of Policies, July 31, 2015. The MPHA must review and revise this section to comply with the directions in PIH 2015-12. The MPHA's Draft language proposes an addition to paragraph 2.F.: "benefits or services". This addition and the previous language in the Draft do not include the exemptions in PIH 2015-12 Paragraph 9. The MPHA's failure to revise Part XIII of the Draft Plan to comply with the law, including PIH 2015-12, risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: Thank you for the comment. MPHA will review PIH 2015-12 and make changes to the Statement of Policies (SOP).**

## Part XV

### 1. C.

#### Pg. 71

95. The terms of VAWA 2013 specifically place the decision to disclose the name of her/his abuser in the hands of the survivor. 42 U.S.C. §14043e-11 (c) (3) (2014). The MPHA cannot force the survivor to provide a copy of an Order for Protection or a No Contact Order as this

section proposes. The MPHA’s choice to adopt this policy without the necessary revisions to comply with the law risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: Nothing in this section requires the tenant to disclose the name of an abuser, but if the MPHA does not know the name of the abuser, MPHA cannot trespass him/her from the property.**

**Part XVIII**

**Page 80**

**2.E.**

96. In this section of the Draft Statement of Policies the MPHA proposes termination of a lease when a resident has “. . . two valid Eviction Actions for nonpayment of rent . . .” and “. . . three valid Eviction Actions . . .” but the Statement of Policies fails to provide any definition of what “valid” means. There is nothing in the proposed language to define “valid”. The MPHA must revise this section so “valid” has a meaning.

**MPHA RESPONSE: Not all words require a definition. "Valid" as used in the SOP is not a term of art and its ordinary meaning applies.**

**Part XVIII**

**3.C.**

**3)(iii)**

**Pg. 81**

97. See comment *supra* on Part I, Pg. 19.

**MPHA RESPONSE: See MPHA's corresponding response.**

**Part XVIII**

**3.C.**

**6)**

**Pg. 82**

98. This section must be revised to include all of the significant terms mandated by HUD in PIH 2010-19. This section also must be revised to include the limitation on the amount of the monthly payment that MPHA may require. This limiting provision is too significant to omit. The definition must include that the monthly retroactive rent payment plus the amount of rent the tenant pays at the time the repayment agreement is executed should be affordable and not exceed 40 percent of the family’s monthly adjusted income. PIH 2010-19 (May 17, 2010), Paragraph 16. If the MPHA chooses not to make the necessary revisions to comply with the law it risks use of MPHA resources to defend legal challenges to its choice.

**MPHA RESPONSE:** MPHA's repayment agreements comply with the minimum requirements of the HUD notice. While HUD stated the amount should be affordable and not exceed 40 percent of the family's monthly adjusted income, this is not a requirement.

**Part XVIII**

**4.I.**

**Pg. 84**

99. This statement of "Reasonable Accommodation And VAWA Requests" should appear in the other sections of the Draft Statement of Policies regarding hearings for applicants and residents.

**MPHA RESPONSE:** Thank you for the comment.

**Part XIX**

**Pg. 85**

100. The MPHA must revise this section to comply with Minn. Stat. § 504B.171, subd. 1. (2014) which requires the MPHA to store abandoned property for 28 days.

**MPHA RESPONSE:** MPHA complies with Minn. Stat. § 504B.171, subd. 1 (2014) and will clarify in the policy.

**Part XX**

**Pg. 85--90**

101. See comments *infra* at Previously Noted Issues regarding this issue.

**MPHA RESPONSE:** Thank you for the comment.

**Part XXI**

**Pg. 91--97**

102. See comments *infra* at Previously Noted Issues regarding this Appendix, as well the following points concerning other revisions proposed in this Draft.

**MPHA RESPONSE:** Thank you for the comment.

**Part XXI**

**4.2**

**Pg. 93**

103. The MPHA should revise the proposed language for this paragraph to replace “equal opportunity” with “an equitable opportunity” since the principle of reasonable accommodation seeks equity more than a one-for-one equality. The MPHA must also revise the example it provides. It is possible that a reasonable accommodation might result in a person with disabilities being placed at the top of the waiting list, i.e. if the issue is selection of a resident for an accessible unit. Another example should be provided by the MPHA if any example is used.

**MPHA RESPONSE: MPHA will remove the example. MPHA declines to make any other change.**

**Part XXI**

**6.0**

**Pg. 95**

104. The MPHA is not permitted to condition an applicant’s approval on the applicant’s acceptance of supportive services or attendance at a self-help group or rehabilitation program applicant process unless participation in specific services is a program eligibility requirement. The MPHA’s choice to adopt this policy without revision risks having to use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: Thank you for the comment.**

**Part XXI**

**7.0**

**Pg. 95**

105. The MPHA’s proposed language illegally limits the opportunity to request an RA from a property manager not a hearing panel in a MPHA administrative hearing. The resident may request an RA of the MPHA at any time in her/his interaction with the MPHA. The MPHA cannot refuse to accept, review and make a decision about an RA whenever it is received. *Radecki v. Joura*, 177 F.3d 694 (8<sup>th</sup> Cir. 1999). The MPHA should revise this section to avoid having to use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: See response above.**

**Part XXII**

**Pg. 97--102**

106. See comment *infra* at Previously Noted Issues regarding this Appendix, as well the points that follow raised concerning other revisions proposed in this Draft.

**MPHA RESPONSE: Thank you for the comment.**

**Part XXII**

**3.5**

**Pg. 99**

107. The definition of “Homeless, Homeless Individual and Homeless Person” in paragraph 3.5 appears misplaced in the VAWA Policy. Why is it here rather than in Part II?

**MPHA RESPONSE: MPHA deleted the definition.**

**Part XXII**

**3.7**

**Pg. 99**

108. The definition of “Long-Term Housing” in paragraph 3.7 appears misplaced in the VAWA Policy. Why is it here rather than in Part II?

**MPHA RESPONSE: MPHA deleted the definition.**

**App.C**

**13.**

**Pg. 117**

109. See comment *supra* at Part VIII, 1. F., Pg. 46.

**MPHA RESPONSE: See MPHA's corresponding response.**

**App. C.**

**14.**

**Pg. 118**

110. See comment *supra* at Part I, Pg. 10.

**MPHA RESPONSE: See MPHA's corresponding response.**

**App. E**

**11.**

**Pg. 128**

111. The MPHA must revise this paragraph. It only describes the geographic boundaries of the NAZ but provides no information about the housing program involving the MPHA scatter site homes and how one might qualify for participation in the housing program. See also comment *supra* regarding pg. 19 of the MTW Plan.

**MPHA RESPONSE: Thank you for the comment, this information is contained in Part IV.**

**App. H**

**Pg. 129--134**

112. See comment *infra* at Previously Noted Issues regarding this Appendix, as well the following point.

**MPHA RESPONSE: Thank you for the comment.**

**App. H**

**Pg. 129**

113. The MPHA must revise the proposed changes to the definition of “Conviction” in this section. The proposed language should not include the term “continuance for dismissal”, “no admission” “continuance without prosecution” or any other term in which there is no plea of guilty entered. These all are not legally equivalent to conviction. These terms do not prove past criminal activity any more conclusively than an arrest does. Retention of these terms and this overly broad language puts the MPHA at risk to use of MPHA resources to defend legal challenges to it. See, *Landers v. Chicago Housing Authority*, 2010 Ill. App. Lexis 100 (1<sup>st</sup> Dist. 2010).

**MPHA RESPONSE: Thank you for the comment. MPHA declines to make the requested change.**

**App. H**

**Pg. 131**

114. The MPHA has proposed adding the category of “False Information” to its list of offenses without providing a definition in the Appendix describing what the MPHA means by this term.

**MPHA RESPONSE: MPHA will add a definition.**

**App. I**

**Pg. 134--135**

115. See comment *infra* at Previously Noted Issues regarding this issue.

**MPHA RESPONSE: Thank you for the comment.**

**App. J**

**Pg. 136--137**

116. See comment *infra* at Previously Noted Issues regarding this issue.

**MPHA RESPONSE: Thank you for the comment.**

**MPHA Draft FY2015-2016 Section 8 Housing Choice Voucher Administrative Plan  
Family Policies**

The MPHA must revise its Draft Administrative Plan at a number of points concerning how the MPHA interacts with an applicant or participant family. In addition to suggestions about those individual sections *infra* the following will clarify the legal bases for those suggestions.

Family is defined by law at 24 C.F.R. §§ 5.403, 982.4 and 982.201(c) (2014). The MPHA Administrative Plan must follow those definitions. At points in the Draft Administrative Plan where the MPHA proposes adding conditions to those definitions that exceed its legal authority, the Draft Plan must be revised. See, 3-I.B.,Pg. 3-2; 3-I.E., Pg. 3-4; 4-III.C., Pg. 4-9; GL-9; GL-11.

117. There is only one subset of family members recognized by law and assigned particular obligations -- the head of household. 24 C.F.R. §§ 5.403 and 982.201 (c) (2014).The law does not otherwise distinguish between original family members, subsequent family members or recognize any subset of family members as “original family members” or “add-on members”. The Draft Plan must be revised at points in the Draft Administrative Plan where the MPHA proposes subsets of family members and assigns them diminished rights. See, 3-I.B., Pg. 3-2; 3-I.C., Pg. 3-3; 3-I.L., Pg. 3-8; 4-III.C., Pg. 4-9; GL-9; GL-11.

**MPHA RESPONSE: MPHA’s HCV Program adheres to HUD’s definition of family as outlined in our Administrative Plan. The definition of “Family” and the definition of “Household Composition” are not interchangeable. The “Family” as designated by the applicant at the time of admission, does not change, although the household composition may change. Our reference to “add on members” is our way of referencing a change in the household composition. MPHA’s polices in this regard promotes fairness to applicants on the Wait List and provide integrity to the**

**Wait List Process. CFR 982.315 (A) (1) gives the PHA the authority to determine which member(s) continue to receive assistance in the program if the family breaks up. The PHA administrative plan must state PHA policies on how to decide who remains in the program if the family breaks up.**

118. The MPHA's Draft Administrative Plan illegally intrudes into family relationships when it directs how the family designates its head of household. 24 C.F.R. §§ 5.403 and 982.201 (c) (2014). Beyond the purposes of determining income eligibility and rent, the MPHA does not have the legal authority to dictate which adult family member the family chooses to designate head of household and must revise the Draft Plan accordingly. See, 4-III.C., Pg. 4-9; GL-9.

**MPHA RESPONSE: The "Head of Household" is determined by the applicant who completes the pre-application and applies to the Waiting List. The applicant "Head of Household" identifies for the PHA the "Family" at the time of admission. It is the applicant that defines their "Family", not the PHA. CFR 982.204 (a) Except for special admissions, participants must be selected from the PHA Waiting List. The PHA must select participants from the Waiting List in accordance with admission policies in the PHA Administrative Plan.**

119. The MPHA has must know who lives in the Section 8 rental unit so income and rent are properly calculated. When a new person joins the family, the family must report that new person living in the home to the MPHA. 24 C.F.R. § 982.551 (h)(2) (2014).The scope of the MPHA's legal intrusion into family matters when this occurs depends on whether the additional member is an adult or a child. An adult joining the family must pass Section 8 financial and background screening for eligibility. 24 C.F.R. §§ 982.201 and 5.903 (2014). This is the only legal authority granted to the MPHA to screen a new adult family member for eligibility. The new family member who has passed the eligibility requirements has the same legal rights and obligations as any other family member. There are no subsets of family membership with lesser rights or obligation under the law. The MPHA does not have the legal authority to create such subsets with diminished rights. The Draft Plan must be revised where the MPHA proposes limiting the rights of a new family member. See, 3-I.L., Pg. 3-8; 4-III.C., Pg. 4-9; GL-9; GL-11. When the new person joining the family is a child, verification of custody may be required. The Draft Administrative Plan must be revised to recognize how Minnesota family courts establish custody. See, 3-I.F., Pg. 3-4; 6-I.B., Pg. 6-5.

**MPHA RESPONSE: When a new person enters the "household" that person changes the household composition, but unless the addition to the household is a minor child, the additional household member does not change the voucher size of the family. However, the addition of an add-on adult member to the household does not give the add on member the right to the voucher, as the voucher is not an entitlement to a benefit, but rather a benefit that is "applied for". CFR 982.204 (a) Except for special admissions, participants must be selected from the PHA Waiting List. The PHA must select participants from the Waiting List in accordance with admission policies in the PHA Administrative Plan.**

120. The participant family is required to report when “a family member no longer resides in the unit.” 24C.F.R. § 982.551 (h)(3)(2014). The family is not required to report when a family member is temporarily away from home, but continues to live in the home. The temporary absence from home of an individual family member is not the absence of the entire family from the unit in 24 C.F.R. § 982.312 (2014). The family absence covered by 24 C.F.R. § 982.312 (2014) is defined as absence when no member of the family is residing in the unit, not the absence (temporary or permanent) of an individual family member. 24 C.F.R. § 982.312 (c) (2014) (emphasis added). The law sets 180 days as the limit for the absence of the entire family and the MPHA is required to state in its Administrative Plan its time limit on absence of the entire family from the home, which cannot exceed 180 days. 24 C.F.R. § 982.312 (e)(2014). The proposed language in the MPHA Draft Plan fails to satisfy this requirement because it does not address the absence of the entire family but erroneously focuses on the absence of individuals. *See*, 3-I.L., Pg. 3-7; 3-I.L., Pg. 3-8; 6-I.B.,Pg. 6-3; 7-II.D., Pg. 7-10-11; 17-VII.B., Pg. 17-34.

**MPHA RESPONSE: MPHA’s policy is a 90 day limit of absence from the unit for the entire family. Extenuating individual circumstances may result in the absence from the unit for the entire family to extend but not exceed the statutory requirement of 180 days.**

121. Although the family is required by law to inform the MPHA of who lives in the home and who no longer lives in the home, 24 C.F.R. §§ 982.551 (b) and (h)(3)(2014), the family is not required by law to seek pre-approval from the MPHA for any individual family member’s absence. The family is not required by law to provide verification to the MPHA of the need for an individual family member’s absence. The Draft Plan must be revised at all points where the MPHA proposes policies requiring pre-approval or verification of need for an individual family’s absence. *See*, 3-I.L., Pg. 3-8; 17-VII.B., Pg. 17-34.

122. If the MPHA chooses to adopt these policies that do not comply with the law, the MPHA risks use of MPHA’s limited resources to defend legal challenges to its choices.

**MPHA RESPONSE: CFR 982.551 (b) (2) The family must supply any information requested by the PHA or HUD for use in a regularly scheduled or interim reexamination of family income and composition in accordance with HUD requirements.**

**MPHA does not require the family member to receive pre-approval for an absence from the unit, nor it verify the need for the absence. MPHA requires the family to report the absence so that the subsidy level remains accurate and is not affected by the temporary absence of a family member.**

## Portability

123. HUD published its final rule (Portability Rule) amending the regulations for portability in the Housing Choice Voucher Program on August 20, 2015. 80 Fed. Reg. 50564 (August 21, 2015). This rule is effective September 21, 2015. The Rule amends some sections of the 24 C.F.R. Part 982 that are not about portability as well. The MPHA Administrative Plan must state how it will implement the requirements of the Portability Rule so it is accessible to applicants, participants and community stakeholders.

The Draft Administrative Plan, especially the policies related to portability, should be reviewed and revised to comply with the Final Rule amending regulations for portability in the Voucher Program, 80 Fed. Reg. 50564 (August 21, 2015), effective September 21, 2015. The Final Portability Rule is effective just two days before the MPHA Administrative Plan is scheduled for final Board approval on September 23, 2015. The Board's September 23, 2015 review and action must be delayed to allow time for MPHA's publication of any changes to its Administrative Plan required to comply with the Final Port Rule, receipt of public comments on those changes and the MPHA's subsequent revision in response to public comments before the Board approves the Draft Administrative Plan for submission to HUD.

If the MPHA fails to revise its portability policies to comply with the recently published Portability Rule or fails to provide opportunity for notice-and-comment on those revisions the MPHA risks use of its resources to defend legal challenges to those choices.

**MPHA RESPONSE: MPHA is aware of the new HUD Portability Regulations and will adhere to the new Portability Regulations as written.**

2-I.

B.

**Pg. 2-4**

124. The discrimination complaint process in this section must be revised to clarify that the process proposed applies only to complaints that are based on alleged violations of the Equal Access Rule, 77 F.R. 5662 (Feb. 3, 2012). The proposed language is applied too broadly to all § 504, Fair Housing Act, and ADA (Fair Housing) complaints suggesting that they too must be reported to and resolved by the MPHA pursuant to the proposed procedures. PIH 2014-20 (HA) (August 20, 2014), Paragraph 8, applies only to enforcement of the Equal Access Rule; it does not apply to Fair Housing complaints. The requirements of PIH 2014-20 for enforcement of the Equal Access Rule must not be expanded to appear to apply to all Fair Housing complaints as the MPHA has done in its draft. The procedure drafted complies with the requirements of PIH 2014-20, only if the following additions and deletions are made to the template language and MPHA's policy:

“Upon receipt of a housing discrimination complaint **alleging discrimination based on actual or perceived sexual orientation, gender identity, or marital status**, the PHA is required to:

- Provide written notice of the complaint to those alleged and inform the complainant that such notice was made
- Investigate the allegations and provide the complainant and those alleged with findings and either a proposed corrective action or an explanation of why corrective action is not warranted
- Keep records of all complaints, investigations, notices, and corrective actions [Notice PIH 2014-20]

### PHA Policy

Applicants or participants who believe that they have been subject to unlawful discrimination **based on actual or perceived sexual orientation, gender identity, or marital status** may notify the MPHA either orally or in writing.

Within 10 business days of receiving the complaint, the MPHA will provide a written notice to those alleged to have violated the rule. The MPHA will also send a written notice to the complainant informing them that notice was sent to those alleged to have violated the rule, as well as information on how to complete and submit a housing discrimination complaint form to HUD's Office of Fair Housing and Equal Opportunity (FHEO). ~~The PHA will attempt to remedy discrimination complaints made against the PHA and will conduct an investigation into all allegations of discrimination.~~

**The MPHA will conduct an investigation into all allegations of discrimination based on actual or perceived sexual orientation, gender identity, or marital status against the MPHA or an Owner to determine if a violation occurred and implement a corrective action(s) to remedy the discrimination. - If appropriate.**

Within 10 business days following the conclusion of the MPHA's investigation, the MPHA will provide the complainant and those alleged to have violated the rule with findings and either a proposed corrective action plan or an explanation of why corrective action is not warranted.

The MPHA will keep a record of all complaints **based on actual or perceived sexual orientation, gender identity, or marital status**, investigations, notices, and corrective actions. (See Chapter 16.)”

The language that the MPHA proposes to delete regarding its handling of discrimination complaints from applicants or participants by providing information on submission of complaint forms to HUD FHEO should be revised for handling discrimination complaints based on alleged

violations of § 504, Fair Housing Act, and the ADA (Fair Housing). In addition to providing the HUD complaint form and help in completing it, we urge the MPHA to adopt a policy in which it also provides applicants and participants alleging Fair Housing complaints with the attached community legal education fact sheet “Housing Discrimination”. The fact sheet is written for a lay person and contains information about protected classes, prohibited behavior and enforcement resources in a very accessible format.

**MPHA RESPONSE: The MPHA has accepted the language changes.**

**3-I.**

**B.**

**Pg. 3-2**

125. The family definition used in this section does not comply with federal law or HUD regulations. Metro is required by PIH 2014-20 (HA) (August 20, 2014), Paragraph 4, to revise its Administrative Plan to reflect the definition of “family” in 24 C.F.R.§§ 5.403, 982.4 and 982.201(c)(2014). The first paragraph in the MPHA’s policy in this section violates the Equal Access Rule, 77 F.R. 5662 (Feb. 3, 2012), the subject of PIH 2014-20, and the federal regulations cited *supra* by imposing the condition that individuals identifying themselves as a family must “have lived together previously or certify that each individual’s income and other resources will be available to meet the needs of the family”. MPHA should remove this illegal condition from the draft language to avoid the risk of using MPHA’s limited resources to defend legal challenges to it. See comment *supra* at Family Policies. The MPHA’s choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: MPHA has removed the policy language.**

**3-I.**

**C.**

**Pg. 3-3**

126. This section states the policy related to the break-up of an assisted family under 24 C.F.R. § 982.315 (2014). The policy in the first paragraph is not about assisted families but pertains to applicants who are not yet receiving Section 8 assistance and should be removed.

**MPHA RESPONSE: MPHA has removed this policy language.**

127. The MPHA must revise the third paragraph in this section regarding the termination of the family when the head of household leaves the family. The proposed language exceeds its authority under 24 C.F.R. §§ 982.315 and 5.403 (2014). Failure to correct this misstatement risks using MPHA's limited resources to defend legal challenges to it.

**MPHA RESPONSE: MPHA has revised the language to read as follows: When the Head of Household voluntarily relinquishes the voucher rental subsidy for any reason the Housing Choice Voucher assistance may terminate for the entire family.**

**3-I.**

**E.**

**Pg. 3-4**

128. The MPHA's proposed language defining spouse violates the Equal Access Rule, 77 F.R. 5662 (Feb. 3, 2012) and PIH 2014-20 (HA) (August 20, 2014). See comment *supra* at Family Policies. The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: MPHA has removed the policy language.**

**3-I.**

**F.**

**Pg. 3-4**

129. The policy regarding joint custody does not reflect the reality of family law practice or family court decisions in MN so it must be revised. Joint custody, physical or legal, is a label that is rapidly losing any meaning in MN family courts and statutes. Agreements considered "joint physical custody" may show a child living with a custodial parent 45% of the time. The standard that the MPHA creates of 50% of the time does not correspond to the reality of actual families. If the MPHA wishes to rely on family court decisions as the basis for establishing where a child lives, then it will require reading each actual court order to see what the court has ordered in this respect and following the court's order, without creating a percentage in its policy that, more often than not, has no meaning. In other situations the MPHA is obliged to follow a court's decision, i.e. family break-up, so it can do the same here. The MPHA relies on the content of the court's order in the second paragraph in this section in which it relies on court orders to establish where the child lives when conflicting information is received.

**MPHA RESPONSE: MPHA has changed the policy language of the first paragraph and expanded the last sentence of the second paragraph to include school enrollment records for verification purposes.**

3-I.

L.

Pg. 3-7

130. See comment *supra* at Family Policies. The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: See responses *above* at Family Policies.**

3-I.

L.

Pg. 3-8

131. The MPHA must revise this section to comply with the law. See comment *supra* at Family Policies.

**MPHA RESPONSE: See responses *above* at Family Policies.**

3-I.

L.

Pg. 3-8

132. The MPHA must revise this section to comply with the law. See comment *supra* at Family Policies. See comment *supra* at Family Policies.

**MPHA RESPONSE: See responses *above* at Family Policies.**

3-III.

C.

Pg. 3-20

133. This section must be revised to remove the reference to arrests. Criminal arrests are not conclusive proof of past criminal activity. See, *Landers v. Chicago Housing Authority*, 2010 Ill. App. Lexis 100 (1<sup>st</sup> Dist. 2010).

**MPHA RESPONSE: MPHA does not see any references to arrest on page 3-20 in referenced section.**

**3-III.**

**D.**

**Pg. 3-21**

134. Upon what factors, indicia or criteria does the MPHA form its “reasonable belief that a participant has engaged in fraudulent or criminal activity” requiring a criminal background check through “an independent contracted service”? What “independent contracted service” does the MPHA use for criminal background checks of applicants?

What “independent contracted service” does the MPHA use for is criminal background checks of applicants for admission regarding status as registered sex offenders on registered sex offenders?

**MPHA RESPONSE: Depending upon the circumstances, MPHA uses a variety of factors in forming its reasonable belief that a participant has engaged in fraudulent or criminal activity. Currently, MPHA uses First Advantage for its criminal background checks for its applicants for admission to the HCV Program.**

**4-I.**

**D.**

**Pg. 4-3**

135. This section includes a question regarding a possible lottery following an application process in 2016. Is the MPHA planning on opening its Section 8 Waiting List in 2016? According to the MPHA’s FY2016 MTW Plan there are 5,325 families on the Section 8 Waiting List. Gathering even more names for the waiting list would seem unnecessary and an action that would only serve to raise the hopes of thousands of applicants for whom years would pass before they ever received a Voucher form the MPHA.

**MPHA RESPONSE: As we continue to purge our 2008 Waiting List, we may determine the need to open the List for application.**

**4-II.**

**F.**

**Pg. 4-7**

136. This section must be amended to allow an applicant family removed from the waiting list to request return to the waiting list as a reasonable accommodation if the family’s failure to respond to an opportunity to update its application was due to the applicant’s disability. There also should be a reference to the MPHA’s Appendix C Reasonable Accommodation Policy. The MPHA’s choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: Like any MPHA policy, an applicant or participant may request a reasonable accommodation as an exception to the policy. MPHA declines to add the requested language.**

4-III.

C.

Pg. 4-9

137. The proposed language exceeds the MPHA's authority under 24 C.F.R. §§ 982.315 and 5.403 (2014). *See comment supra* at Family Policies. Failure to correct this misstatement risks using MPHA's limited resources to defend legal challenges to it.

**MPHA RESPONSE: MPHA has removed the policy language of the first paragraph.**

4-III.

C.

Pg. 4-9

138. The Draft asks if there are any changes in the local preferences section needed. Is the MPHA planning to change its local preferences within the next year?

**MPHA RESPONSE: Should MPHA decide to open its Waiting List for application, any change in our preferences will be publicly announced prior to receiving applications.**

4-III.

E.

Pg. 4-13

139. This section must be amended to allow an applicant family who miss a scheduled interview to request a rescheduled interview or other appropriate reasonable accommodation if the family's failure to respond to attend an interview was due to the participant's disability. This section also should include a reference to the MPHA's Appendix C Reasonable Accommodation Policy. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: Thank you. Like any MPHA policy, an applicant or participant may request a reasonable accommodation as an exception to the policy. MPHA declines to add the requested language.**

5-II.

E.

Pg. 5-12

140. This section must be revised to comply with the Portability Rule. See comment *supra* at Portability.

**MPHA RESPONSE: MPHA is aware of the new HUD Portability Regulations and will adhere to the new Portability regulations as written.**

5-II.

E.

Pg. 5-13

141. The Portability Rule, 80 Fed. Reg. 50564 (August 21, 2015), is effective September 21, 2015. The Portability Rule revises 24 C.F.R. § 982.303 for all Section 8 participants to require suspension of the initial or extended term of the voucher from the date the family submits a request for approval to the MPHA until the MPHA notifies the family in writing whether the request is approved or denied. Since the law will change two (2) days before the MPHA Board of Commissioners is scheduled to consider the MPHA's Draft Plan for submission to HUD it makes sense to revise this section so it correctly states the new law.

The proposed language is not good public policy anyway for the following reasons. The MPHA's MTW FY2016 Plan, pg. 20, reports that 23% of Section 8 Voucher participants did not have a lease within 90 days. In light of this and the extremely low vacancy rate, tolling the search time while a Request for Tenancy Approval is under review by the MPHA is good public policy. None of these factors negatively affecting the participant's ability to locate housing where their Section 8 Voucher can be used are within the participant's control. A participant who finally finds a landlord willing to participate in the Section 8 Program, can ill afford having her precious search time tick away while the Request for Tenancy Approval is under review by the MPHA, another factor entirely outside the participant's control.

**MPHA RESPONSE: MPHA is aware of the new HUD Portability Regulations and will adhere to the new Portability Regulations as written.**

6-I.

B.

Pg. 6-3

142. See comment *supra* at Family Policies. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: See response *above* at Family Policies.**

6-I.

B.

**Pg. 6-4**

**Absent HoH**

143. See comment *supra* at Family Policies. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: See response *above* at Family Policies.**

6-I.

B.

**Pg. 6-5**

144. In the Joint Custody section the reference to “. . . an IRS return showing which family has claimed the child for income tax purposes.” must be removed. A dissolution agreement may provide that one parent may claim the child deduction while the child does not live with that parent. The IRS return is not dispositive at all as to where a child lives so this section of the paragraph should be deleted.

**MPHA RESPONSE: MPHA has revised the policy language and removed the IRS requirement.**

6-III.

A.

**Pg. 6-39**

145. The cap on rent increase described in the final paragraph of this section ended October 1, 2014. This paragraph should be deleted since it is no longer in effect or relevant to any current participant.

**MPHA RESPONSE: MPHA has removed the language.**

**6-III.**

**A.**

**Pg. 6-39**

146. In the section concerning a higher subsidy as a reasonable accommodation, the MPHA proposes capping its reasonable accommodation obligation at 10% of the Rent Reform flat subsidy amount. Participants' right to reasonable accommodation rent increases is an exercise of their civil rights protected by § 504, the Fair Housing Act and the ADA. The MPHA's civil rights obligations may not be waived as part of a MTW experiment. PIH 2011-31 (June 13, 2011). This policy must be revised to comply with the law. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: MPHA will remove 10% cap and will consider Reasonable Accommodation requests for an increase to the flat subsidy amount.**

**6-III.**

**A.**

**Pg. 6-39**

147. The language drafted in this section needs to be clarified. As drafted, it appears the MPHA is not certain what it wants to set for the minimum rent amount.

**MPHA RESPONSE: Thank you, we have made the required changes.**

**6-III.**

**A.**

**Pg. 6-40**

148. When has the MPHA done a periodic review of the utility costs that it uses to determine the flat rent subsidy tables for its MTW Rent Reform?

**MPHA RESPONSE: MPHA reviews and revises annually in October, prior to the new fiscal year.**

149. When has the MPHA revised the flat rent subsidy table used in its MTW Rent Reform?

**MPHA RESPONSE: MPHA revised its flat subsidy tables effective January 1, 2015.**

6-III.

B.

(5)(b)

**Pg. 6-42**

150. See comment *supra* at Family Policies. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: MPHA is unable to respond, as we are unable to determine the concern.**

7-II.

D.

**Pg. 7-10**

151. See comment *supra* at Family Policies. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: CFR 982.551 (b) (2) The family must supply any information that the PHA or HUD requests for use in a regularly scheduled or interim reexamination of family income and composition in accordance with HUD requirements.**

**Major changes in household composition, such as those created by marriage or divorce, birth or death may also impact the family composition. In such instances, verification of the change in the family composition may be requested to determine the remaining family members in the event of a family break up.**

7-II.

D.

**Pg. 7-10**

152. See comment *supra* at Family Policies. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: CFR 982.551 (b) (2) The family must supply any information that the PHA or HUD requests for use in a regularly scheduled or interim reexamination of family income and composition in accordance with HUD requirements.**

Major changes in household composition, such as those created by marriage or divorce, birth or death may also impact the family composition. In such instances, verification of the change in the family composition may be requested to determine, for example, the remaining family members in the event of a family break up.

7-II.

D.

**Pg. 7-11**

153. See comment *supra* at Family Policies. The MPHA’s choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: CFR 982.315 (A) (1) gives the PHA the authority to determine which member(s) continue to receive assistance in the program if the family breaks up. The PHA administrative plan must state PHA policies on how to decide who remains in the program if the family breaks up.**

7-III.

D.

**Pg. 7-18**

154. The MPHA must revise this section to conform to Minnesota law. There is no alimony in Minnesota. The correct term is spousal maintenance.

**MPHA RESPONSE: Corrected.**

7-III.

I

**Pg. 7-21**

155. “UIV” should be replaced with the correct term: “EIV”.

**MPHA RESPONSE: Corrected.**

8-I.

C.

**Pg. 8-6—8-7**

156. The proposed language deletes “Inoperable Hot Water Heater, Furnace or other Utility Shut-off” and adds “Utilities not in service”. The proposed replacement phrase is not sufficient. The replacement phrase does not cover the threatening condition presented by an inoperable hot water heater or inoperable furnace. The MPHA must revise the list of threatening conditions to include “Inoperable hot water heater” and “Inoperable furnace”. The MPHA could also include a reference to the Emergency Tenant Remedies Action statute, Minn. Stat. §504B.381, subd. 1, in which emergency conditions are defined to include situations “involving the loss of running water, hot water, heat, electricity, sanitary facilities, or other essential services or facilities that the landlord is responsible for providing.”

**MPHA RESPONSE: We removed the language regarding the furnace and other utility shut offs because it is already stated; language was a duplication. We removed the inoperable hot water because it is not an emergency requiring 24 hour repair.**

8-II.

C.

**Pg. 8-12**

157. Why will the MPHA not accept inspections done by HUD, HOME or LIHTC for HQS inspection purposes for a participant renting housing from one of those providers?

**MPHA RESPONSE: MPHA's HQS policies include several adopted City of Minneapolis codes. We prefer to conduct our own HQS inspections to assure compliance with both HQS and some City Inspection codes.**

**Chapter 10**

**Pg. 10--1—10--17**

158. This Chapter must be revised to conform to the final rule on portability, 80 Fed. Reg. 50564 (August 21, 2015), effective September 21, 2015. See comment *supra* at Portability. If the MPHA’s chooses not to revise its policies to comply with the law it risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: MPHA is aware of the new HUD Portability Regulations and will adhere to the new Portability Regulations as written.**

10-I.

C.

Pg. 10-4

159. The reference to “MTW Policy –Eligibility for Port Out” should include “10-II.B.” so it is easier for the reader to find the referenced section.

**MPHA RESPONSE: Added.**

10-II.

B.

Pg. 10--6—10--7

160. This section of the Draft Plan must be revised. The Draft Plan does not include the same criteria for porting out of Minneapolis that the MPHA lists in its MTW Plan at Paragraph 9 on page 47.

**MPHA RESPONSE: Added.**

10-II.

B.

Pg. 10-7

161. See comment *supra* at Portability. The MPHA’s choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: MPHA is aware of the new HUD Portability Regulations and will adhere to the new Portability regulations as written.**

11-I.

B.

Pg. 11-2

162. The proposed policy about scheduling the annual reexamination interview should be revised to include the participant’s right to reschedule as a reasonable accommodation if the family does not attend an interview as the result of a disability. There revision also should include a reference to the MPHA Appendix C Reasonable Accommodation Policy. The MPHA’s choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: Thank you. Like any MPHA policy, an applicant or participant may request a reasonable accommodation as an exception to the policy. MPHA declines to add the requested language.**

**11-II.**

**A.**

**Pg. 11-6**

163. The reference to the applicable section on “Optional Reporting” for information on what constitutes an optional interim reexamination should include the section number, 11-II.C., for that reference so the reader knows where in the Administrative Plan to find that referenced section.

**MPHA RESPONSE: Added.**

**11-III.**

**B.**

**Pg. 11-14**

164. When has the MPHA done a periodic review of the utility costs that it uses to determine the flat rent subsidy tables for its MTW Rent Reform?

**MPHA RESPONSE: MPHA reviews and revises annually in October, prior to the new fiscal year.**

**12-I.**

**D.**

**Pg. 12-2**

165. The MPHA’s proposed policy uses the phrase “legal eviction order” in its first paragraph. Does the MPHA mean Writ of Recovery of Premises?

**MPHA RESPONSE: No. MPHA is referring to a court order.**

12-I.

E.

**Pg. 12-4**

166. The third paragraph must be revised to remove “arrests”. Criminal arrests are not conclusive proof of past criminal activity. *See, Landers v. Chicago Housing Authority*, 2010 Ill. App. Lexis 100 (1<sup>st</sup> Dist. 2010).

**MPHA RESPONSE: Thank you for your comment. MPHA declines to make the requested change.**

12-I.

E.

**Pg. 12-6**

167. MPHA has changed the text of the template language and as a result misstated the law. 24 C.F.R. § 982.312 (2014) sets the limit for absence of the entire family from the unit as “180 consecutive calendar days”. *See comment supra* at Family Policies. If the MPHA chooses not to correct the Plan it risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: Corrected.**

12-II.

C.

**Pg. 12-7**

168. The policy proposed allows an alternative to termination of assistance to the family if the family member who participated in or is responsible for the offense that is the basis of the termination no longer resides in the unit. The MPHA’s proposed policy exceeds its legal authority by requiring the “culpable family member” not only no longer reside with the family but also that the head of household certify that the “culpable family member” will not visit the family. This proposed language not only exceeds the authority granted to the MPHA by the federal regulation but also violates the constitutional rights of association of the family members. This policy must be revised to conform to law. The MPHA’s choice to adopt this policy without revision risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: Thank you for your comment. MPHA declines to make the requested change.**

**12-III.**

**C.**

**Pg. 12-12**

169. This section must be revised to make it clear that the obligation it imposes on the owner is in addition to the notice to the MPHA of commencement of the eviction action required by 24 C.F.R. § 982.310 (e) (2014) and the Tenancy Addendum to the HAP Contract (HUD 52641-A).

An inexperienced owner could read this section as it is proposed to require notice at one time or the other, rather than notice required by law and the HAP Contract PLUS the imposition by the MPHA of an additional notice of the Judgment.

**MPHA RESPONSE: MPHA has made the recommended changes.**

**Exhibit 12-1 Statement of Family Obligations**

**Pg. 12-14—12-16**

**Pg. 12-15**

170. Bullet six on this page regarding family absences must be revised to comply with the law. *See comment supra* at Family Policies. The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: See response *above* at Family Policies.**

**13-I.**

**C.**

**Pg. 13-6**

171. This section listing reasons the MPHA will refuse to approve a Request for Tenancy should be revised to include an owner against whom claims have been made by participants and the United States pursuant to the False Claims Act, 31 U.S.C. § 3729 *et seq.* (2013) and resulted in either settlement or judgment against the owner. If violation of the False Claims Act is part of the disqualification criterion in paragraph 2 how does the MPHA learn when the court finds an owner has violated the False Claims Act? If there is no process in place for the MPHA to get this information from the U.S. Attorney's office, we encourage the MPHA to create a way to get this information and to specifically list this as a disqualifying condition for a prospective owner. We have noticed an increase in owners violating the law by requesting and collecting illegal side payments,

despite the terms in the HAP Contract prohibiting this behavior. Any additional warning to owners not to engage in this illegal conduct would be helpful. Owners who do violate the False Claims Act should not be allowed to participate in the MPHA's Section 8 Program.

**MPHA RESPONSE: Thank you for your comment.**

**13-I.**

**D.**

**Pg. 13-7**

172. The final paragraph on this page concerning the federal statute covering protecting tenants in foreclosures must be deleted. The federal law expired and is no longer applicable. However, in Minnesota, owners are subject to Minnesota foreclosure protections for tenants that essentially mirror those embodied in the now-expired federal law. See Minn. Stat. § 504B.285, Subd. 1a. (2013). These state statutory obligations should be included in this section.

**MPHA RESPONSE: MPHA has made the change.**

**16-III.B.**

**Pg. 16-7**

173. The list of situations in which an applicant gets an informal review hearing must be revised to include a hearing when an applicant's request for reasonable accommodation is denied. This appears in the Draft Plan at Appendix C, Paragraph 7.4, but should be noted in this section as well so an applicant has full notice of her/his rights.

**MPHA RESPONSE: MPHA has made the change.**

**16.III.**

**B.**

**Pg. 16-8**

174. This section must be revised to comply with the law. The law requires that the MPHA provide a copy of the criminal record upon which it relied, not just give the opportunity to review the criminal record. 24 C.F.R. § 5.904 (e)(2) (2014).

**MPHA RESPONSE: MPHA has made the change.**

**16-III.C.**

**Pg. 16-10**

175. The list of situations in which a participant gets an informal hearing must be revised to include a hearing when an applicant's request for reasonable accommodation is denied. This appears in the Draft Plan at Appendix C, Paragraph 7.4, but should be noted in this section as well so a participant has full notice of her/his rights.

**MPHA RESPONSE: MPHA has made the requested change.**

**16-III.C.**

**Pg. 16-10**

176. The list of situations in which a participant gets an informal hearing must be revised to include a hearing when a request to port is denied. See policy at 10-II.B.

**MPHA RESPONSE: MPHA has made the requested change.**

**16.III.**

**C.**

**Pg. 16-11**

177. The list of situations in which an informal hearing is provided to a participant must be revised to include denials of requests by families with MTW Vouchers to port outside Minneapolis. In Section 10-II.B., at Pg.10-7, the MPHA has stated that informal hearings are available for denial of a request to port out of Minneapolis.

**MPHA RESPONSE: MPHA has made the requested change.**

**16-III.**

**C.**

**Pg. 16-13**

178. In this section, the second paragraph that discusses the content of discovery exchanged between the MPHA and the participant must be revised. The information to be disclosed on the part of both the MPHA and the participant must be reciprocal. The MPHA proposes that no fewer than three (3) before the hearing the participant must allow the MPHA to examine any documents that she/he wants to use at the hearing or those

documents will not be allowed. The MPHA must revise the policy so that the same requirement is imposed on the MPHA. Specifically, the MPHA must revise its policy so that no fewer than three (3) days before the hearing, the MPHA must allow the participant to examine any documents it wants to use at the hearing or the MPHA cannot use the documents at the hearing. The policy proposes that no fewer than three (3) days before the hearing the participant provide to the MPHA the names, addresses and relationship of any person who will be attending the hearing on the participant's behalf or those persons will not be allowed to attend the hearing. The policy must be revised so the same requirement is imposed on the MPHA so that no fewer than three (3) days before the hearing, the MPHA must provide to the participant the names, addresses and relationship of any person who will be attending the hearing on behalf of the MPHA or those persons will not be allowed to attend the hearing. If the MPHA chooses not to revise this policy it risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: Thank you for your comment.**

**16-IV.**

**B.**

**Pg. 16-21**

179. The "Family Debts to the PHA" section is missing the Chapter number in the phrase "... with the policies in Chapter ... " that has been proposed as a revision to this section.

**MPHA RESPONSE: MPHA has added Chapter number.**

**16-IV.**

**B.**

**e.**

**Pg. 16-22**

180. Paragraph e. must be revised. There can be no \$25 minimum payment requirement imposed because it would violate HUD Notice PIH 2010-19, Paragraph 16 limiting the total payment of rent plus the repayment amount per month to 40% of the participant's income. The MPHA's choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: The 40% affordability level in the HCV Program only applies at the time of lease up in a unit. This is not applicable.**

**16-IV.**

**B.**

**Pg. 16-23**

181. The MPHA's proposed language cites the provisions of any repayment agreement mandated by HUD in PIH 2010-19. This section must be revised to include the limitation on the amount of the monthly payment that MPHA may require. This is too significant a provision to omit. The text of Paragraph 16 of PIH 2010-19 (May 17, 2010), extended in PIH 2013-23 (June 1, 2013) must be added to the listed bullets: "The monthly retroactive rent payment plus the amount of rent the tenant pays at the time the repayment agreement is executed should be affordable and not exceed 40 percent of the family's monthly adjusted income."The MPHA's choice to adopt this policy with this significant omission risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: The 40% affordability level in the HCV Program only applies at the time of lease up in a unit. This is not applicable.**

**16-VI.**

**B.**

**Pg. 16-24**

182. PIH 2014-20 (HA) (August 20, 2014), Paragraph 8, applies only to enforcement of the Equal Access Rule; it does not apply to Fair Housing complaints. The requirements of PIH 2014-20 for enforcement of the Equal Access Rule must not be expanded to appear to apply to all Fair Housing complaints as the MPHA has done in its draft. Bullet 8 in the proposed Draft must be revised to comply with the law by deleting the reference to the Fair Housing Act.

**MPHA RESPONSE: MPHA has removed Bullet 8.**

**16-VI.**

**C.**

**Pg. 16-25**

183. The text of this section about income verification records has corrected "UIV" to "EIV" but the section title has not been corrected.

**MPHA RESPONSE: Corrected.**

**17-II.**

**B.**

**Pg. 17-4**

184. The Draft language for the ranking criteria for proposals for rehabilitated and newly constructed housing includes as the second criterion the “extent to which the project furthers the PHA goal of deconcentrating poverty” but the deconcentration standard is not defined. This criterion should be revised to clarify if the MPHA is using the definition of deconcentration of poverty of the R/CAP or some other standard.

**MPHA RESPONSE: MPHA will add deconcentration definition.**

**17-VII.**

**B.**

**Pg. 17-34**

185. See comment *supra* at Family Policies. The MPHA’s choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: See response *above* at Family Policies.**

**Glossary**

**Pg. GL-8**

186. The MPHA must correct the definition of Extremely Low Income to comply with the law. Section 238 of the 2014 Consolidated Appropriations Act, Title II of Division L of Public Law 113-76, 128 Stat. 5, approved January 17, 2013, modified and redefined ELI so it is not determined solely by the area median income. ELI is now defined as very low income families whose incomes do not exceed the higher of the Federal poverty level or 30% of Area Median Income. 79 F.R. 35940 (June 25, 2014) effective July 1, 2014.

**MPHA RESPONSE: MPHA corrected the definition.**

**Glossary**

**Pg. GL-9**

187. The MPHA should revise the definition of family to remove the final criterion stating it “can be further defined by the PHA”. See comment *supra* at Family Policies. The MPHA’s choice to adopt this policy without revision risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: MPHA made the change.**

**Glossary**

**Pg. GL-11**

188. The MPHA exceeds its legal authority to define head of household by attempting to limit it to the application of the family, a document that may be years old and out of date for a tenant family. *See comment supra* at Family Policies. The MPHA’s choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: See response *above* regarding MPHA's definition of Head of Household.**

**Glossary**

**Pg. GL-11**

189. The MPHA must remove this definition to comply with the law. *See comment supra* at Family Policies. The MPHA’s choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: Removed the outdated definition.**

**Glossary**

**Pg. GL-18**

190. In the definition of “Sexual Assault”, assault is misspelled.

**MPHA RESPONSE: Corrected.**

**Glossary**

**Pg. GL-18**

191. The definition of “Shared Housing” is erroneously included in the definition of “Sexual Assault”.

**MPHA RESPONSE: Corrected.**

## **Glossary**

### **Pg. GL-22**

192. The Glossary entries for Spouse for the purposes of the non-citizen must be removed. The definition does not appear in the law, 24 C.F.R. § 5.500 (2014), and the MPHA's choice to exceed the authority of the regulation violates the Equal Access Rule, 77 F.R. 5662 (Feb. 3, 2012). The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: Corrected.**

## **App. A.**

### **Pg. A-4--5**

193. The criteria for the Mobility Voucher program must be revised, the MTW Plan at pg. 84 includes the criterion of minor children in the family and that criterion does not appear here.

**MPHA RESPONSE: Added.**

## **App. A.**

### **Pg. A-5**

194. The Foreclosure Stabilization Project Demonstration is closed according to the MTW Plan so this section should be deleted from the Administrative Plan.

**MPHA RESPONSE: The Foreclosure Stabilization project is closed as a designed initiative, but it is an active program.**

## **App. A.**

### **Pg. A-9**

195. The study described in Appendix A first appeared in the MPHA's Administrative Plan in August 2013. There is no end date included in the narrative nor any cite to report on the outcome of the "Study Program". Is the study still in progress? When will it be concluded? Where can the outcomes for the 65 Vouchers involved be found? How many of the 65 Vouchers made available for this study have been given to study participants?

**MPHA RESPONSE: Although admission to the program has ended and the study is concluded, 38 of the families retain their voucher. In 2015, HUD completed and released its first report on its findings; a final report is forthcoming.**

**App. B**

**Pg. B-1—B-7**

196. The MPHA LEP Plan remains seriously, legally flawed. The MPHA’s choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it. *See comment infra* at Previously Noted Issues regarding this Appendix.

**MPHA RESPONSE: Thank you for the comment.**

**App. C.**

**Pg. C-1—C-9**

197. The MPHA Reasonable Accommodation Policy remains seriously, legally flawed. The MPHA’s choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it. *See comment infra* at Previously Noted Issues regarding this Appendix, as well the points raised concerning other revisions proposed in this Draft that follow.

**MPHA RESPONSE: Thank you for your comment.**

**App. C.**

**Pg. C-1--9**

**Pg. C-4**

198. The proposed language for this paragraph should be revised to replace equal opportunity with an equitable opportunity since the principle of reasonable accommodation seeks equity more than a one-for-one balance. The example provided by the MPHA’s proposed language also must be revised. It is possible that a reasonable accommodation might result in a person with disabilities being placed at the top of the waiting list if the issue is selection of a resident for an accessible unit.

**MPHA RESPONSE: Thank you for the comment.**

**App. C.**

**Pg. C-1--9**

**Pg. C-5**

199. This paragraph must be revised to delete as a basis for denial of the RA failure of the person to permit the MPHA inspection of her/unit. This is not a lawful basis for denial of an RA. The MPHA’s choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

HUD Notice PIH 2014-25 (HA) (Oct. 16, 2014) speaks to the issue of additional bedrooms and exceptions to subsidy standards for live-in aides. The Notice clarifies that the only verification needed after the accommodation is approved is verification during the annual inspection that an additional bedroom approved for medical equipment is indeed being used for that purpose. MPHA's attempt to force inspections exceeds this limited purpose in the HUD Notice. The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: There is no limit on the number of inspections that the Housing Authority can complete. CRF 982.551 (d) Allowing PHA inspection. The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice.**

**App. C.**

**Pg. C-1--9**

**Pg. C-6**

200. Paragraph 6.0 must be revised. The MPHA is not permitted to condition an applicant's approval on the applicant's acceptance of supportive services or attendance at a self-help group or rehabilitation program applicant process unless participation in specific services is a program eligibility requirement. If the MPHA has funded Voucher Programs it administers that combine services and housing subsidies so participants must participate in the services to receive the housing then those program should be specifically identified as the only programs in which approval of the applicant might be conditional. The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: MPHA made the requested change.**

**App. C.**

**Pg. C-1--9**

**Pg. C-7**

201. Paragraph 7.0 must be revised. In parts 7.1 and 7.2 the MPHA limits the opportunity to request a reasonable accommodation to an Eligibility Technician not a hearing panel in a MPHA administrative hearing for the applicant or participant. The applicant or participant may make a reasonable accommodation request of the MPHA at any time in her/his interaction with the MPHA. The MPHA cannot refuse to accept, review and make a decision about a reasonable accommodation request whenever it is received. *Radecki v. Joura*, 177 F.3d 694 (8<sup>th</sup> Cir. 1999). The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: MPHA clarified the language in the policy.**

**App. D.**

**Pg. D-1—D-7**

202. The MPHA Violence Against Women Act Policy remains seriously, legally flawed. The MPHA’s choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it. See comment *infra* at Previously Noted Issues regarding this Appendix, as well the points raised concerning other revisions proposed in this Draft that follow.

**MPHA RESPONSE: Thank you for the comment.**

**App. D.**

**Pg. D-7**

203. Paragraph 11 must be deleted. This section imposes compliance with Minn. Stat. § 504B.178 on Section 8 participant families which is specifically prohibited by Minn. Stat. § 504B.206, subd. 7 (2014). The Violence Against Women Act, 24 CFR 5, Subpart L and § 982.314 (c) (iii) (2014), allows a survivor of domestic violence, dating violence, sexual assault or stalking to end her/his lease without payment of any additional penalty and Minn. Stat. § 504B.206, subd. 7 (2014) requires compliance with the federal statute. The MPHA’s choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

**MPHA RESPONSE: Thank you for the comment.**

**App. E.**

**Pg. E-1--11**

204. The MPHA Criminal History Background Check Procedure remains seriously, legally flawed. The MPHA’s choice to adopt this policy without necessary revisions risks use of MPHA resources to defend legal challenges to it. See comment *infra* at Previously Noted Issues regarding this Appendix, as well the following points raised concerning other revisions that must be made in this Draft.

**MPHA RESPONSE: Thank you for the comment.**

**App. E.**

**Pg. E-1--4**

205. The parts of Appendix E related to port-in families should be reviewed and revised to comply with the final Portability Rule amending regulations for portability in the Voucher Program, 80 Fed. Reg. 50564 (August 21, 2015). See comment *supra* at Portability.

**MPHA RESPONSE: See response *above* at Portability.**

**App.H**

**Pg. H-1**

206. In Bullet 4, as part of its duty to affirmatively further fair housing the MPHA says it will invite Legal Aid, among other organizations, “to come and meet with HCV staff to talk about impediments to Fair Housing and understand the importance of affirmatively further fair housing.” Our Housing Discrimination Law Project, through its Supervising Attorney Lael Robertson, 612.746.3834, has not been invited to engage in this conversation with HCV staff about affirmatively furthering fair housing for MPHA participants and looks forward to receiving this invitation. This meeting would be particularly timely in light of the new Portability Rule and the recently passed Affirmatively Furthering Fair Housing Rule.

**MPHA RESPONSE: Thank you.**

**App. H**

**Pg. H-2--3**

207. The draft Plan deletes the all text regarding how the MPHA will comply with 24 C.F.R. § 8.28 (2014). The federal regulation remains in effect so there does not appear to be any rationale for revision of this section by removal of the description of how the MPHA will comply with it. The MPHA’s actions to comply with 24 C.F.R. § 8.28 (2014) should be restored to this Appendix.

**MPHA RESPONSE: MPHA deleted the language due to duplicity. This language is in the Reasonable Accommodation Appendix.**

**PREVIOUSLY NOTED ISSUES**

208. There are a number of points at which the Low Income Public Housing Statement of Policies and Section 8 Housing Choice Voucher Administrative Plan continue to misstate the law or create a policy that violates the law. We have pointed out those deficiencies in at least two, and in some instances four, past MPHA Annual Plan comment processes. In many instances, the MPHA’s responses have repeatedly been no more than “Thank you for the comment.” or “MPHA declines to make this change.” The points we have raised in the past remain unchanged in the MPHA’s policy documents for FY2015-2016. In light of the MPHA’s past consistent refusals to make revisions to those points we have not included any further comments on those matters. Our time is not well-spent addressing those issues in the context of the Annual Plan process again, when the MPHA has repeatedly declined to engage in any improvement of its policies. If the MPHA decides to make changes on any of these issues in the future and is required by law to use a notice–and–comment process for the changes, we will review the proposals published at that time and comment on behalf of our clients as appropriate at that time.

We hope that these comments will be used to revise the MPHA Draft FY2016 Annual Moving To Work Plan, MPHA Draft FY2015-2016 Low-Income Public Housing Statement of Policies (ACOP) and MPHA Draft FY2015-2016 Section 8 Housing Choice Voucher Administrative Plan before they are approved by the MPHA Board and submitted to HUD. If you have any questions regarding the points we have raised, please contact us.

**Resident Advisory Board (RAB Actions - MPHA Draft 2016 Moving To Work Plan and Supporting Documents**

- I. MPHA's broad over reach of the smoking policy infringes on First Amendment rights to free exercise of religion. MPHA should exclude incense in its Non-Smoking Policy due to religious and ritual rites which include the burning of incense.  
Motion to exclude incense from MPHA's Non-Smoking Policy.  
3 in favor of the Motion  
2 against the Motion  
2 abstained.
- II. Motion that MPHA should make a focused effort to make Self Help opportunities available to ALL residents.  
All were in favor.
- III. Motion to make sure Project Lookout remains a Volunteer Program with no stipend.  
All were in favor.
- IV. Motion to oppose MPHA's policy to use photography when entering a resident's unit outside the reason for the entrance and support prior notification to take photographs.  
All were in favor.
- V. Motion for MPHA to rescind the "Absence from Unit" Initiative.  
All were in favor.

# APPENDIX C: Performance & Evaluation Report

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 06/30/2017

Part I: Summary					
PHA Name: <b>Minneapolis Public Housing Authority</b>		Grant Type and Number Capital Fund Program Grant No: MN46P00250113 Replacement Housing Factor Grant No: Date of CFFP:			FFY of Grant: 2013 FFY of Grant Approval:
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no: ) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2014 <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	10,331,899	10,331,899	6,803,877	3,131,707
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

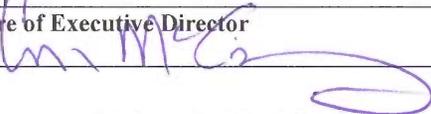
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

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<b>Type of Grant</b>					
<input type="checkbox"/> Original Annual Statement		<input type="checkbox"/> Reserve for Disasters/Emergencies		<input type="checkbox"/> Revised Annual Statement (revision no: )	
<input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2014		<input type="checkbox"/> Final Performance and Evaluation Report			
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	10,331,899	10,331,899	6,803,877	3,131,707
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
<b>Signature of Executive Director</b> 		<b>Date</b> 10-6-2015		<b>Signature of Public Housing Director</b>	
				<b>Date</b>	

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
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U.S. Department of Housing and Urban Development  
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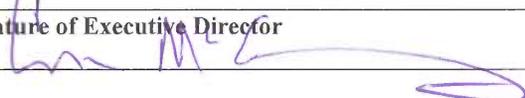
<b>Part I: Summary</b>					
<b>PHA Name:</b> Minneapolis Public Housing Authority		<b>Grant Type and Number</b> Capital Fund Program Grant No: MN46P00250114 Replacement Housing Factor Grant No: Date of CFFP:			<b>FFY of Grant: 2014</b> <b>FFY of Grant Approval:</b>
<b>Type of Grant</b> <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no: ) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2014 <input type="checkbox"/> Final Performance and Evaluation Report					
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11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	10,215,438	10,215,438	0	0
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
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<b>Minneapolis Public Housing Authority</b>					
<b>Type of Grant</b>					
<input type="checkbox"/> <b>Original Annual Statement</b>		<input type="checkbox"/> <b>Reserve for Disasters/Emergencies</b>		<input type="checkbox"/> <b>Revised Annual Statement (revision no: )</b>	
<input checked="" type="checkbox"/> <b>Performance and Evaluation Report for Period Ending: 12/31/2014</b>		<input type="checkbox"/> <b>Final Performance and Evaluation Report</b>			
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b>		<b>Total Actual Cost<sup>1</sup></b>	
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<b>Signature of Executive Director</b>		<b>Date</b>		<b>Signature of Public Housing Director</b>	
		10-6-2015			

<sup>1</sup> To be completed for the Performance and Evaluation Report.

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<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.





**CERTIFICATE**

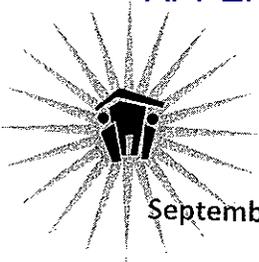
I, Paula Sotelo, Executive Administrative Assistant of the Minneapolis Public Housing Authority in and for the City of Minneapolis, do hereby certify that the attached **RESOLUTION** was duly adopted at the Regular Meeting of the Board of Commissioners of said Authority, held on September 23, 2015, and is a true and correct copy of the **RESOLUTION** adopted at said meeting and on file and of record in the official Minutes of said Authority.

**IN WITNESS WHEREOF**, I have hereunto set my hand and the seal of said Authority this 23rd day of September, 2015.

***I DO HEREBY CERTIFY THAT I AM DULY AUTHORIZED TO EXECUTE THIS CERTIFICATE.***

  
\_\_\_\_\_

**(SEAL)**

**APPROVED**

September 23, 2015

Agenda Item 1

**REPORT TO THE COMMISSIONERS**

**FROM:** Cora McCorvey, Executive Director

**SUBJECT:** MPHA 2016 Moving To Work (MTW) Plan and Changes to the MPHA Statement of Policies and Section 8 Administrative Plan

**Previous Directives:** On January 6, 2008 MPHA signed a MTW Agreement with HUD making the Agency a full status MTW. This status requires MPHA to create an Annual MTW Plan. On July 6, 2008, the Board approved MPHA's first MTW Plan under this new agreement and has subsequently approved a new MTW Plan each year following.

**Resident Notification:** The MPHA Board of Commissioners appointed an MTW Resident Advisory Board (RAB) consisting of representatives from the Tenant Advisory Committee, and other members representing MPHA populations groups, including Highrise, Family, Scattered Site and Section 8, for the purpose of ensuring resident and participant involvement in the MTW Plan process. This Report will be discussed with the Tenant Advisory Board (TAC) immediately prior to the Board's September 23, 2015 meeting.

**Impact on Budget:** The MTW Plan identifies how MPHA resources will be spent, but does not itself have a budgetary impact.

**Procurement Review:** Not applicable

**Recommendation:** It is recommended that the Board of Commissioners adopt a resolution approving the MPHA FY2016 MTW Plan and forward it to HUD pursuant to the requirements of the MTW Agreement. It is further recommended that the Board of Commissioners approve the proposed changes to MPHA's Statement of Policies and Section 8 Administrative Plan.

The development of an Annual MTW Plan is a requirement of the Revised Standard Moving To Work Agreement between HUD and MPHA. The 2016 MTW Plan includes an Introduction with the Agency's short and long term MTW Goals and Objectives, general housing authority information, information on MPHA's on-going MTW activities, MPHA's 2016 MTW Budget and various other administrative information, including the comments and responses regarding the 2016 MTW Plan. MPHA utilizes the MTW planning process to identify proposed changes to the MPHA Statement of Policies (SOPs) and Section 8 Administrative Plan.

## APPENDIX D: MPHA Board Resolution/Certification of Compliance

As is its tradition, MPHA undertook extraordinary efforts to solicit input in the development of the proposed changes to the 2016 MTW Plan, and its administrative policies for both public housing and Section 8. Following the appointment of the MTW RAB by the MPHA Board of Commissioners, the MTW RAB met on a regular basis working with Agency staff to consider proposals for the Draft MTW Plan. RAB also developed a statement of "guiding principles" and it adopted priorities which are included in the "Administrative" section of the MPHA MTW Plan.

In addition, RAB was asked for and was encouraged to provide additional ideas and/or guidance to MPHA prior to the publication of the Draft Plan. Once the Draft Plan was presented to RAB, it was also published on the MPHA Website, copied and sent to all building Resident Council presidents, to the MHRC Executive Committee and the Scattered Site and Glendale Resident Councils. Every Public Housing resident received notice of the Advance Meeting and the Public Hearing in their rent statements inviting them to share their comments on the Draft MTW plan by e-mail to MPHA's Policy and Special Initiatives Department. MHRC published a formal notice of the Advance Meeting and the Public Hearing in the *Highrise Lowdown*, a publication that goes to 5000 highrise residents. MPHA hosted a luncheon meeting for all Low Income Public Housing residents and Section 8 program participants who attended the Advance Meeting, and solicited and responded to any and all questions from residents and participants at the Advance Meeting. MPHA also provided comment sheets in the Advance Meeting packets for residents and participants who did not have sufficient time to comment on all of their concerns or who were more comfortable addressing their concerns and offering their ideas in writing. Finally, MPHA invited Legal Aid to meet with Agency staff to discuss any concerns and/or suggestions related to the 2015 MTW Plan. Although they did not take advantage of this offer, Legal Aid submitted numerous written comments which are included in the Comments and Responses document which is an attachment to the 2016 MTW Plan.

While MPHA is not proposing any new MTW activities for its 2016 MTW Plan, it has received numerous comments related to the 2016 MTW Plan as well as to the Agency's current and proposed changes to the SOPs and Section 8 Administrative Plan.

The 'Comments and Responses' Section of the 2016 MTW Plan lists the comments by the MTW Resident Advisory Board, attendees at the public hearing, as well as comments received from various resident organizations, key constituencies and individual residents and Section 8 HCV participants during the 'Comment Period' (August 1, 2015 through September 4, 2015). Also included are MPHA's responses the comments and changes to the Draft MTW Plan and administrative policies based upon the comments received.

The proposed Board Resolution is attached to this Report. MPHA's FY2016 MTW Plan must be submitted to HUD prior to October 15, 2015.

This Report was prepared by Bob Boyd, MPHA Director of Policy and Special Initiatives. For Further information, please contact Mr. Boyd at (612) 342-1437 or [bboyd@mplspha.org](mailto:bboyd@mplspha.org).

## APPENDIX D: MPHA Board Resolution/Certification of Compliance

### RESOLUTION No. 15-158

**WHEREAS**, the Minneapolis Public Housing Authority in and for the City of Minneapolis (MPHA) signed a Moving To Work (MTW) Agreement with the U.S. Department of Housing and Urban Development (HUD) on January 6, 2008, making MPHA a full status Moving To Work Agency; and

**WHEREAS**, the Moving To Work Agreement requires MPHA to create an annual Moving To Work Plan; and

**WHEREAS**, MPHA has also identified and made changes to its Statement of Policies (SOPs) and Section 8 Administrative Plan; and

**WHEREAS**, MPHA is required to submit the Moving To Work Plan to HUD prior to October 15, 2015;

**NOW THEREFORE, BE IT RESOLVED**, by the Board of Commissioners of MPHA that the 2016 Moving To Work (MTW) Plan and the changes to the Agency's Statement of Policies and its Section 8 Administrative Plan are approved and that the Executive Director is authorized to submit them to HUD for approval as required.

## Form 50900: Elements for the Annual MTW Plan and Annual MTW Report

## Attachment B

## Certifications of Compliance

Annual Moving to Work Plan  
Certifications of Compliance

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

**Certifications of Compliance with Regulations:  
Board Resolution to Accompany the Annual Moving to Work Plan\***

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning January 1, 2016, hereinafter referred to as "the Plan", 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 Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the Plan and invited public comment.
2. The PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
3. The PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1.
4. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
5. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
6. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
7. The PHA will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
12. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.

# APPENDIX D: MPHA Board Resolution/Certification of Compliance

OMB Control Number: 2577-0216

Expiration Date: 5/31/2016

13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105( a).
15. The PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
17. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
19. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
21. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

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. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

F. Clayton Tyler  
Name of Authorized Official

Chair, MPHA Board of Commissioners  
Title

Signature

September 23, 2015  
Date

\*Must be signed by either the Chairman or Secretary of the Board of the PHA's legislative body. This certification cannot be signed by an employee unless authorized by the PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.