



MPHA Moving to Work Annual Plan

FY 2011

Cora McCorvey, Executive Director

October 14, 2010

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EQUAL EMPLOYMENT OPPORTUNITY

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MPHA FY2011 Moving to Work Annual Plan

CONTENTS

I.	Introduction and Executive Summary	3
II.	General Housing Authority Operating Information	10
III.	Non-MTW and MTW Related Housing Authority Information	31
IV.	Long-term MTW Plan	38
V.	Proposed MTW Activities: HUD approval requested	41
VI.	Ongoing MTW Activities: HUD approval previously granted	47
VII.	Sources and Uses of Funding	57
VIII.	Administrative	62

Attachment A: Code of Ethics and Standards of Conduct

Attachment B: Comments and Responses

Attachment C: Certifications

Section I: Introduction/Executive Summary

The MPHA Moving To Work Plan is divided into eight sections. Section I comprises an introduction and an overview of the MTW Plan or an Executive Summary.

The mission of the Minneapolis Public Housing Authority (MPHA) is to promote and deliver quality, well managed homes to a diverse low income population and as a valued partner, contribute to the well-being of the individuals, families and community we serve.

MPHA utilizes its mission as a filter through which it reviews its actions and initiatives. The 2011 MTW Plan reflects the mission and values of MPHA.

Section II: General Housing Authority Information

This section of the MTW Plan details information about MPHA's operations for its low rent and Section 8 Housing Choice Voucher (HCV) Programs.

Housing Authority Operating Information

This Section provides an overview of the agency's operations, including information about its housing stock and capital initiatives, as well as details about MPHA's leasing activities and waiting lists for its public housing and Section 8 Housing Choice Voucher programs.

- 6,207 public housing units, including 4,958 highrise units, 753 scattered site units, 184 family units and 312 mixed financed units.
- 4,716 Housing Choice Vouchers under lease including 685 project based vouchers.
- The public housing waiting lists consist of 6,855 highrise and family applicants.
- The Section 8 HCV waiting list currently totals 11,700 applications.
- MPHA capital initiatives for 2011 are expected to cost \$18,475,460.
 - This does not include the expected capital expenditures related to the MPHA EPC Contract or the recent HUD Capital Fund Recovery Competition Awards received by MPHA.

Section III: Non-MTW Related Housing Authority Information

In this Section MPHA describes a number of its significant activities that are not dependent on utilizing MTW authority, but have an impact on its residents and program participants. This includes the following:

- Assisted Living and Housing with Services programs for the frail elderly

- Energy Performance Contracting (EPC) with Honeywell International to implement energy savings improvements
- Project Based Section 8 Programs
- Publically owned Transitional Housing (POTH) housing with services program
- Section 8 Inspections protocol with the City of Minneapolis
- MPHA's resident involvement and participation initiatives

Section IV: Long Term MTW Plan

This section of the MTW Plan offers MPHA's long-term vision for itself as an MTW Agency.

The Long Term Vision for MPHA's MTW program establishes the agency as a consistent high performer providing quality services to its residents and program participants. MPHA believes that it is and must remain a good steward of its properties, preserving them for future generations.

MPHA is also committed to enhancing opportunities for its residents and program participants by using its MTW flexibility to create pathways that lead to self-sufficiency through targeted employment programs and avenues to opportunities for homeownership.

MTW positions the agency to make the most of its Section 8 HCV program to establish programs and create partnerships that serve the most vulnerable and expand opportunities for those seeking to break the cycle of poverty.

Residents, program participants and key community constituencies are at the root of MPHA's long term planning. The agency's rich history of partnerships has created innovations that have served the specific needs of residents, established programs and services such as Head Start for the very young and assisted living for the frail elderly, and creation of a resident self-governance system that fuels dialog and challenges making MPHA more responsive and better positioned to meet its mission.

MPHA's long term vision and its partnerships have resulted in a \$28.4 million EPC initiative and over \$31.8 million in funding under HUD's Capital Fund Recovery Competition (CFRC) grant program.

MPHA intends to use the flexibilities under MTW to realize its long term vision and leave a legacy of accomplishment for the next generation.

In 2011 MPHA intends to initiate a strategic planning process that will rely on its MTW authorizations to position the agency to develop effective strategies that respond to the needs of residents, program participants and critical needs in the Minneapolis community.

Section V: Proposed 2011 MTW Initiatives

This section of the MTW Plan identifies the specific activities MPHA wishes to pursue under its MTW authority. In FY 2011, MPHA is proposing three (3) new initiatives:

- **Targeted Project Based Initiative**
Under this initiative, MPHA will project base a limited number of vouchers to foster development of affordable housing beyond the number of units to be project based. These vouchers will be awarded to programs and organizations that propose developments where there is a high ratio of new affordable units to those subsidized through MPHA's project based initiative.
- **Soft Subsidy Self Sufficiency Initiative**
MPHA intends to create a program with set subsidies for special conditions that are also flexible and time limited. These subsidies will be structured to incentivize work.
- **Assisted Living Presumptive eligibility Initiative**
MPHA intends to utilize MTW authority to create a presumptive eligibility status and open waiting list status, even if the waiting list is closed, for frail elderly persons who have been screened as eligible for Assisted Living and/or Housing with Services.

Section VI: Ongoing MTW Activities and Other MPHA Initiatives, goals and objectives

This section of the MTW plan explains MPHA's ongoing MTW initiatives and identifies how those initiatives will be carried forth in this coming fiscal year.

- **Recertification of Elderly or Disabled Public Housing Resident Families Once Every Three Years Instead of Annually**

MPHA is certifying 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.
 - Continue progress that was made in 2010
- **Combine MPHA's Current Homeownership Programs into a Single MTW Initiative with a Foreclosure Prevention Component**

Under MTW, MPHA's homeownership initiatives, Home Ownership Made Easy (HOME) and Moving Home (Section 8 Homeownership Demonstration Program) has been

revised and combined with a new Foreclosure Prevention Initiative that assists some low-income families in avoiding foreclosure.

- Twenty families will purchase or prevent foreclosure in 2011

- **Rent Reform: MPHA has Revised its Earned Income Policy to Allow Eligible Public Housing Families a Full Two-Year Income Disregard**

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 has created a full two-year income disregard for eligible families and eliminated the administrative hardship and time consuming monitoring.

- Monitor progress and identify families who have maintained employment in 2011
- Identify families on the MTW disregard program who have lost employment and refer to local job counseling and support programs.

- **Implement a New Public Housing Family Self-Sufficiency Program**

MPHA has implemented a new public housing Family Self-Sufficiency (FSS) program targeted for families who seek to become home owners. This program is limited to 50 families and has participation requirements to meet MPHA's homeownership program eligibility requirements.

- 25 families will participate in FSS in 2011

- **Section 8 HCV Mobility Voucher Program**

MPHA created a Mobility Voucher program to encourage low-income families to move to non-concentrated areas 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.

- Issue 25 new mobility vouchers in 2011

- **MPHA MTW Investment Initiative**

Under MTW, MPHA will waive federal restrictions on investment options as long as the investment strategies comply with Minnesota law. Due to the economic crisis this initiative was not implemented in 2010.

- MPHA will evaluate this initiative for Fiscal Year 2011

- **Resident Empowerment Initiative**

MPHA recognizes that good ideas and new opportunities are not always aligned to a planning or funding cycle. MPHA intends to develop a Resident Empowerment Initiative that will allow the agency to consider, fund and implement initiatives that arise between MTW planning cycles without completing the time consuming process required to amend the MTW Plan. This initiative will include resident input and review. Activities under this initiative will contribute to the agency's self-sufficiency efforts and assist families with education, training and other supports related to seeking and keeping employment. MPHA did not implement this initiative in 2010 . MPHA will continue this initiative for an additional year and if no new actions are implemented, it will drop this initiative.

- This initiative will be evaluated for implementation in 2011

- **Flexible Development Initiative**

MPHA's Flexible Development Initiative allows the agency to respond to development opportunities in a timely manner. On occasion, properties become available or opportunities arise that have critical windows that require more immediate action than is available under current policies. MPHA's initiative is designed in a manner that allows MPHA to respond to and take advantage of opportunities as they arise. MPHA utilized this initiative to purchase 20 units in 2009.

- MPHA may utilize this initiative in 2011 to develop replacement of units that have been approved for disposition.

- **Plymouth Church Initiative**

MPHA has partnered with Plymouth Church Neighborhood Foundation for project-basing six (6) Section 8 HCV Vouchers as part of a 30-unit housing development, 'Creekside Commons'. The project based vouchers support the financing of this development and serve as leverage for tax credits and other funds dedicated to this project resulting in an additional 24 units of affordable housing that would not be otherwise available without the MPHA's contribution. The project based units allow for two (2) two-bedroom units, three (3) three-bedroom units and one (1) four-bedroom unit including an accessible unit. Construction has been completed. During 2011 MPHA will work with Plymouth Church Neighborhood Foundation to monitor impact on families who lease up in 2010.

- **Working Family Incentive for both public housing and Section 8 HCV families.**
 - MPHA will track families receiving this incentive and monitor success in keeping employment and/or increasing income in 2011 .
- **Phased in Minimum Rent Increases for both Public Housing residents and Section 8 HCV participants.**
 - Software glitches delayed implementation of this initiative in 2010. MPHA is correcting these glitches and will implement in 2011 with the 2010 increases.
- **An Expanded Voluntary Conversion or Disposition program to secure new Section 8 vouchers for its mixed financed developments. This would involve a total of 312 units of which MPHA does not own nor manage.**
 - Upon HUD approval and issuance of new vouchers, MPHA will begin the conversion of this program in 2011, using the PETRA model where families will go to sleep one night as public housing residents and wake up the next morning as Section 8 project base participants.
 - Receive additional vouchers from HUD
 - Negotiate agreements with mixed-finance owners to project based vouchers at these developments
 - Begin lease-up for public housing residents to project based Section 8
- **A Rent-To-Own initiative where the 20 townhome condominiums purchased by MPHA in Heritage Park would be marketed and eventually sold to selected MPHA residents, Section 8 HCV participants, MPHA staff and City of Minneapolis employees who otherwise are eligible for public housing.**
 - Full lease up of units in 2011 with all 20 families in FSS and mortgage counseling.
- **Project Base up to 21 Housing Choice Vouchers in partnership with the City's Neighborhood Stabilization Initiative that will purchase and rehab foreclosed apartments and make them available to low-income families seeking affordable housing.**
 - Continue working with PPL to coordinate project basing as units are purchased and renovated.

Section VII: Sources and Uses of Funding

MPHA's low rent, capital improvements and Section 8 HCV funds are combined into a block grant and able to be used flexibly to meet MPHA needs. MPHA has provided a narrative and accompanying charts detailing the sources of its MTW funds and how it plans utilize those funds in the coming year. In this section of the MTW plan, MPHA provides detailed information regarding its MTW budget and flexible use of its funds and includes its non-MTW budget. MPHA's combined funds total \$122,969,301 with \$96,241,542 included in its MTW budget.

Section VIII: Administrative

This section of the MTW Plan addresses the administrative requirements associated with the MTW Plan including:

- Board resolutions adopting MTW Plan;
- Documentation of Public Process including at least one public hearing;
- Submissions required for receipt of funds; and
- Any planned or ongoing evaluations

Section II: General Housing Authority Information

A. Housing Stock Information

■ The number of public housing units at the beginning of the year

Minneapolis Public Housing Authority (MPHA) has 6,207 public housing units comprised of 753 scattered site units, 184 family units in its Glendale family development, 4,958 units in its 41 highrise facilities and 312 public housing units that are part of various mixed financed developments throughout the City of Minneapolis and various neighboring metropolitan jurisdictions.

Under the new Asset Management rule these units have been divided into nine Asset Management Projects (AMPs). MPHA owns and manages units in seven of these AMPs, the other two AMPs are owned and managed by various partnerships and management agents for which MPHA holds the Annual Contributions Contract (ACC) on the 312 mixed financed units.

The **Current Housing Units** chart (A-1) below provides a breakdown of these units by development (AMP) and bedroom size.

Current Housing Units								
	Bedroom Size							
Asset Management Project	0	1	2	3	4	5	6	TOTAL
1 – Glendale		26	70	70	18			184
2 – Scattered Site*			149	351	201	43	9	753
3 – North	252	1036	8					1,296
4 – Northeast	190	749	5					944
5 – Hiawathas	398	484	7					886
6 – Cedars	152	736	7					895
7 – Horn	2	929	6					937
8 – Heritage Park			91	76	23	10		200
9 - MHOP			45	42	25			112
TOTAL	674	4,281	384	539	267	53	9	6,207

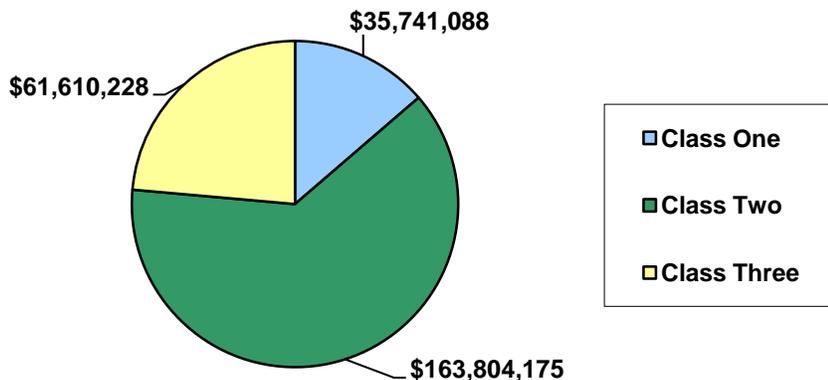
*This includes the 20 townhome condominiums MPHA acquired in 2009.

■ **General description of any planned significant capital expenditures by development.**

Minneapolis Public Housing Authority’s (MPHA) housing stock is comprised of 41 highrise buildings, 753 scattered site homes, and 184 rowhouse units. Forty of the forty-one 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 rowhouse development is nearly 60 years old. The most recent comprehensive needs analysis indicates an unmet capital need of approximately \$260 million over the next ten years for these public housing units. A comprehensive physical needs assessment is planned for 2011. During this period staff and consultants will conduct detailed inspections of all MPHA facilities and compile capital needs. These will be catalogued into MPHA’s needs data base and prioritized for implementation as part of our five year capital fund program. To aid in capital planning, MPHA considers two factors in its needs data:

1. The classification of the needs as:
 - Class One: Life, Safety, and Code Compliance (e.g. asbestos abatement, security-related improvements, fire suppression systems)
 - Class Two: Building Systems/Infrastructure (e.g. mechanical systems, plumbing and electrical systems, roofs/façades, windows, elevators, etc.)
 - Class Three: Maintainability/Marketability (apartment kitchen and bath rehab, landscaping/site improvements, building amenities, etc.)
2. The remaining useful life of the need, which can range between 0 – 10 years.

The breakdown by classification of our 10-year \$260 million capital need is illustrated below:



As shown above, a large portion of our capital needs fall into the Class Two classification; due to their age, the infrastructure at many of our buildings has exceeded its life expectancy. Further, as building codes have evolved, we need to address increased fire protection requirements such as retrofitting our highrise buildings with sprinkler systems, which comprises approximately \$18 million of the \$35 million identified in Class One. MPHA has made these items a priority and will target these types of improvements over the next ten years.

Another way MPHA assesses the condition and tracks the performance of our properties is by utilizing an industry-accepted tool known as the Facility Condition Index (FCI). 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 = Need/Asset Value). The building FCI is calculated as a percentage and will fall within one of the following four ranges:

Good: 0% - 5%

Resident complaints are low and manageable; facility benefits from scheduled preventive maintenance, planned capital improvements, an increased level of amenities, and a higher level of customer service.

Fair: 6% - 10%

Manageable equipment or component failure may occur; resident complaints will be higher but still manageable; facility’s staff time may, from time to time, be diverted from regular scheduled maintenance. The level of planned capital improvements, as well as customer satisfaction, decreases moderately from the “Good” range.

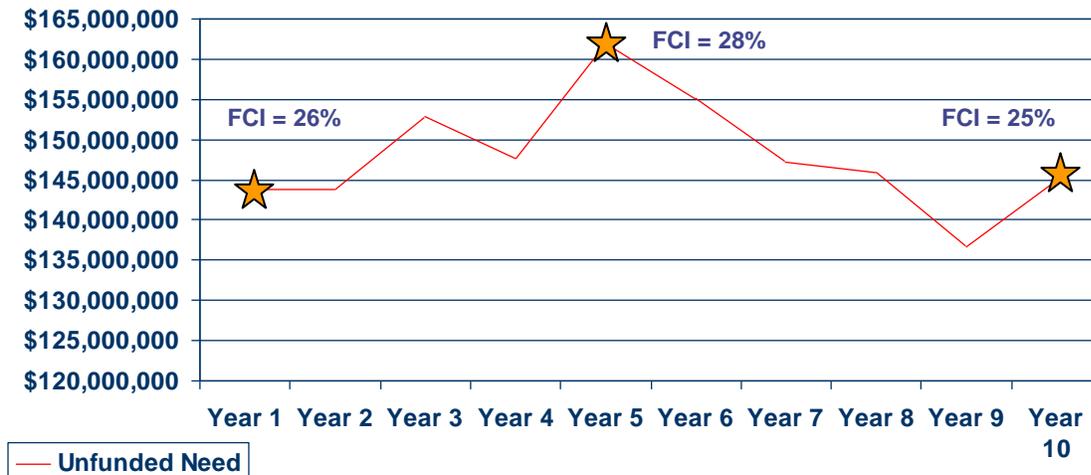
Poor: 11% - 30%

Moderately frequent equipment and infrastructure failures occur, accompanied by possible building system shut downs; resident complaints will be high with increased level of frequency leading to a lower level of customer satisfaction; facility’s staff time will likely be diverted from regular scheduled maintenance and forced into “reactive mode”. Capital improvements planning and implementation will also be reactive and will change frequently as more funds are used to mitigate building systems breakdowns.

Critical: Over 30%

Frequent component, equipment, and infrastructure failures will occur accompanied by likely building system shut downs – management risk is high; resident complaints will be very high with an unmanageable level of frequency; staff will not be able to provide regular scheduled maintenance due to high level of “reactive” calls. Capital fund planning is almost 100% reactive with higher level of needs leading to consideration of disposition of assets.

MPHA uses this information to understand the current state of each property, as well as to forecast the building's future performance based on various funding levels. Based on the growing capital needs of our assets and historic Capital Fund Program (CFP) funding levels, over the next ten years the FCI trend for MPHA's entire portfolio is illustrated on the next page:



Under historically insufficient capital funding, MPHA's facilities have and will continue to languish in the "Poor" (11% and higher) rating of FCI. As our properties age, needs continually surface, and CFP appropriations continue to decline, MPHA is faced with the ongoing and increasingly difficult challenge to preserve its assets and provide dignified housing to the residents we serve. MPHA plans to implement several asset investment strategies that buttress the CFP in order to address the \$260 million capital need.

► **MTW Reserves**

This strategy – which is available as a result of the agency's MTW designation – allows for an increase of CFP allocations above HUD's funding level for the CFP via accessing MPHA's reserves. MPHA's budget recommendation for FY2011 includes an increase of the CFP from approximately 13.8 million to 18.4 million.

► **EPC**

MPHA procured in early 2007 and has entered into an Energy Performance Contracting (EPC) agreement with Honeywell International, Inc. for the implementation of the ECMs outlined below with an estimated value of approximately \$28.4 million:

- Common area and apartment lighting retrofits
- High efficiency motors
- Stove replacement at all highrises

- Water conservation measures in all highrises and scattered sites
- Building envelope repairs (caulking, chase sealing, weather-stripping, etc.)
- Boiler replacement at all highrises
- Water heater replacement at several highrises

The EPC is well under its implementation and slated for completion before the end of 2010. The first year of a 20-year guaranteed savings period from Honeywell starts in 2011.

▶ **Development**

MPHA continues to search for development opportunities that include the possibility of replacement of high needs scattered site units in concentrated areas of Minneapolis with small clusters of new town home developments in non-concentrated areas of Minneapolis. The new town home developments are designed with a high level of energy efficiency and state of the art durable materials.

▶ **Other Grants**

- ***ARRA Formula Grant***

MPHA received \$18.2 million of which 100% has been obligated and 97% has been fully expended as of December 20, 2010. MPHA expects to fully expend ARRA Formula Funds by Spring 2011 – one year ahead of the requirement.

MPHA has received three (3) competitive awards under HUD’s Capital Fund Recovery Competition NOFA:

- ***Senior Center – North Minneapolis***

MPHA, in partnership with Sherman Associates has designed a state-of-the-art senior center in Heritage Park in North Minneapolis. MPHA has established partnerships with Freemont Community Clinic, Minneapolis ‘Y’, Augustana Services, The Courage Center, Hennepin County, the City of Minneapolis and others to provide an array of services to elderly residents living in North Minneapolis. These services include medical care, adult daycare and social and recreational opportunities. Ground breaking for this development is planned for Fall, 2010 with completion in Spring of 2012.

Grant amount: \$10.5 million ARRA dollars

- ***“Green” Senior Housing/Memory Care Development***

MPHA, in partnership with Sherman Associates has designed and will develop a 48-unit “green” senior development near the proposed Senior Center that will focus on providing

housing and supportive services to frail elderly low-income residents who have memory care and assisted living needs.. MPHA has established a partnership with Hennepin County that will provide services to meet the needs of low-income elderly with memory care issues. This development will utilize various energy efficiency methods and green technologies, including solar and geothermal. In addition, the structure will be built with “green” materials and designed to reduce the development’s carbon footprint. This development will be concurrent with the Senior Center and ready for occupancy early 2012.

Grant amount: \$9.7 million ARRA dollars

- ***Scattered Site “Green” Initiative***

MPHA will make significant energy improvements in over 733 scattered housing sites. These improvements will be implemented by Honeywell International and will replace outdated systems and reduce energy and water consumption. Also, these strategies will enhance operational efficiencies, result in significant energy saving costs, add to the long-term preservation of our housing resources and reduce the agency’s carbon footprint and consumption of energy. This initiative will benefit MPHA, its residents, and taxpayers.

Grant amount: \$11.6 million ARRA dollars

Capital Projects and Estimated Costs to Reduce MPHA’s FCI

MPHA’s ten-year strategy for addressing capital needs covers FY 11 through FY 19. Approximately \$184 million in capital work will be implemented over this ten-year period; the plan addresses many of the building systems (Class Two), as well as other high priority items such as retrofitting our highrises with sprinkler systems, all of which are critical to the fluid operation of our facilities.

By the end of 2010 and over the next five years, FY11 – FY15, MPHA plans on expending \$99.9 million of HUD funds for capital improvement projects. The total planned work of \$145.1 million during this period will use the aforementioned HUD resources, implementation of an EPC valued at \$33.6 million of which \$28.4 million is financed and \$5.2 million is from the CFP; and the \$11.6 million ARRA scattered sites energy improvements. MPHA plans to use reserves for additional capital expenditures.

FY11 Significant Capital Expenditures by Development

The Minneapolis Public Housing Authority (MPHA) has identified \$18.4 million in capital expenditures for FY 11 (see attached chart) targeted at specific projects in all of its seven Asset Management Projects (AMPs) and its executive offices at 1001 Washington Avenue North.

EPC Related Improvements: \$600,000

MPHA has set aside \$600,000 to be spent for capital improvements related to its EPC activities in each of its AMPs. For example, MPHA intends to install new toilets in each apartment unit, some units will require floor replacement as new toilets are installed others will not. In developments where new boilers are being installed, the boiler rooms need related improvements that make sense to install at the same time. EPC funds can only be used for specific improvements that contribute to energy savings, related repairs will need to be financed as capital expenditures. MPHA has allocated funds that allow it to flexibly respond to capital needs related to EPC improvements.

AMP 3 (North): \$2,223,843

MPHA will initiate comprehensive apartment rehab including major piping replacement and fire suppression sprinkler system installation at 800 – 5th Avenue North. Extensive courtyard modernization will be implemented at 600 – 18th Avenue North.

AMP 4 (Northeast): \$5,573,877

Comprehensive apartment rehab and piping replacement will be completed at 710 – 2nd Street NE and 616 Washington Street NE, as well as roof replacement at both sites. MPHA's 828 Spring Street NE facility is currently under construction, an extensive modernization project that includes comprehensive apartment rehab, plumbing replacement, and installation of a fire suppression sprinkler system; FY11 capital dollars will be utilized to complete this multi-million dollar modernization project. Further, approximately \$1.2 million will be spent at 1815 Central Avenue NE to replace first floor windows and modernize its three elevators.

AMP 5 (Hiawatha): \$2,299,200

Extensive apartment modernization including piping replacement and the installation of a fire suppression system is currently underway at 1920 4th Avenue South, which is also being funded with 2011 capital dollars. Major first floor modernization will also be implemented in 2011, which includes new management offices, community spaces, and a reconfigured building entrance.

AMP 6 (Cedars): \$1,537,540

Shower modernization will be implemented at 630 Cedar Avenue South, and major elevator modernization including new cab finishes will be completed at 1515 Park Avenue South.

AMP 7 (Horn): \$2,094,500

The first phase of modernization will be implemented at 1415 East 22nd Street, the second phase being funded in 2012. This work includes refurbished showers/bathroom upgrades and new closet doors, piping replacement, and parking lot and other site improvements. MPHA will implement similar apartment work at its 2121 Minnehaha facility, including piping replacement, shower refurbishment and new light fixtures.

MPHA Administrative Offices: \$501,500

MPHA is implementing upgrades to the Housing Voucher Program administrative space at 1001 Washington Avenue North in order to accommodate additional staff and to provide a space and finishes that are more secure, promote efficiency and a closer interaction among staff.

Area-Wide Security Improvements: \$425,000

MPHA will continue to expand its security camera and monitoring equipment installation which has proven to be an efficient and cost effective crime deterrent.

Area-Wide Development: \$50,000

As part of MPHA's flexible development initiatives, these funds are available to initiate development activities as opportunities such as development property in desirable areas become available. Such activities require a timely response and these funds will cover costs associated with securing desirable sites as these become available.

Area-Wide Comprehensive Physical Needs Assessment (PNA): \$250,000

FY2011 is the five-year mark for MPHA to conduct its comprehensive PNA. These fees will cover speciality consultant costs that will be necessary to conduct a thorough and detailed needs assessment of all MPHA properties. It is with the PNA database that all MPHA's CFP planning begins.

Area-Wide Common Area Improvements: \$1,100,000

During FY2011, the Facilities and Development Department will implement a variety of general common area 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.

PLANNED CAPITAL EXPENDITURES FY 11

\$18,475,460

AMP	PROJ #	ADDRESS	WORK ITEMS	BUDGET
N/A	N/A	N/A	Administration	\$1,420,000
1 – 7	Varies	Area-Wide	EPC related improvements	\$600,000
1 – 7	Varies	Area-Wide	Security improvements	\$425,000
1 – 7	Varies	Area-Wide	Comprehensive needs analysis	\$250,000
1 – 7	Varies	Area-Wide	Common area improvements	\$1,100,000
2	Varies	Scattered Sites	Comprehensive modernization	\$400,000
3	3	800 5 th Ave N	Apartment rehab, piping replacement, sprinkler system (phase I of II)	\$1,722,343
3	25	600 18 th Ave N	Courtyard upgrades	\$501,500
4	15.4	710 2 nd Street NE	Apartment rehab, piping, roof replacement	\$1,225,016
4	15.5	616 Washington St NE	Apartment rehab, piping, roof replacement, site work	\$1,239,034
4	33	828 Spring Street NE	Apartment rehab, piping replacement, sprinkler system (phase II of II)	\$1,918,267
4	35	1815 Central Ave NE	Elevator modernization, first floor window replacement	\$1,191,560
5	19	1920 4 th Ave S	Apartment rehab, piping replacement, sprinkler system, first floor mod (phase II of II)	\$2,299,200
6	15	1515 Park Ave S	Elevator modernization	\$888,540
6	30	630 Cedar Ave S	Shower replacement	\$649,000
7	14	1415 E 22 nd St	Site work/parking lot, showers, closet doors, piping replacement (phase I of II)	\$1,180,000
7	36	2121 Minnehaha Ave	Piping replacement, apartment lighting and bath upgrades	\$914,500
N/A	N/A	TBD	Development	\$50,000
N/A	96	1001 Washington	Section 8 modernization	\$501,500
TOTAL				\$18,475,460

MPHA's \$33.6 million EPC, including \$5.2 million in capital funds, will allow it to address projects that were not able to be previously funded. The work items being funded under the EPC include many of the Class Two needs such as boilers/heating systems, major HVAC system components, lighting, etc. that were previously funded in MPHA's five-year CFP plan. The EPC is currently underway and will be completed by the end of FY 11; it will require some supplemental funding from the MTW allocation to pay for miscellaneous repairs (e.g. bathroom floors as toilets get replaced) during the construction period.

Minneapolis Public Housing Authority
2011 Capital Fund Five-Year Action Plan

	FY11	FY12	FY13	FY14	FY15
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Budgets 18,475,460 11,234,000 11,234,000 11,234,000 11,234,000

AMP 1 - Rowhouses

AMP	Project	Address	Bldgs	Units					
1	1	Glendale	28	184	0	0	0	0	1,862,040
Total AMP 1			28	184	0	0	0	0	1,862,040

AMP 2 - Scattered Site/Single Family

AMP	Project	Address	Bldgs	Units					
2	Varies	Various	753	753	400,000	400,000	400,000	500,000	600,000
Total AMP 2			753	753	400,000	400,000	400,000	500,000	600,000

AMP 3 - North

AMP	Project	Address	Bldgs	Units					
3	3	800 North Fifth Avenue	1	66	1,722,343	1,298,000	0	0	0
3	20.4	2415 North Third Street	1	62	0	0	0	0	178,974
3	20.5	3116 North Oliver Avenue	1	31	0	0	870,869	0	96,456
3	23	315 North Lowry Avenue	1	193	0	1,662,761	664,716	462,560	0
3	25	600 North 18th Avenue	1	239	501,500	0	1,003,000	0	954,620
3	26	1710 North Plymouth Avenue	1	84	0	0	0	656,080	709,049
3	37	1314 North 44th Avenue	1	220	0	0	0	2,035,500	0
3	42	314 Hennepin Avenue	1	299	0	1,180,000	236,000	0	0
3	50	350 Van White Memorial Boulevard	1	102	0	250,000	0	0	59,000
Total AMP 3			9	1,296	2,223,843	4,390,761	2,774,585	3,154,140	1,998,099

AMP 4 - Northeast

AMP	Project	Address	Bldgs	Units					
4	10	311 NE University Avenue	1	49	0	0	398,840	720,666	0
4	15.4	710 NE Second Street	1	35	1,225,016	0	0	0	99,086
4	15.5	616 NE Washington Avenue	1	35	1,239,034	0	0	0	101,416
4	21.4	1206 NE Second Street	1	57	0	0	0	1,026,215	0
4	21.5	1900 NE Third Street	1	32	0	0	0	0	610,534
4	21.6	809 NE Spring Street	1	32	0	0	0	0	607,690
4	32	1717 NE Washington Street	1	182	0	0	188,800	0	0
4	33	828 NE Spring Street	1	189	1,918,267	0	0	0	0
4	35	1815 NE Central Avenue	1	333	1,191,560	0	0	401,200	0
Total AMP 4			9	944	5,573,877	0	587,640	2,148,081	1,418,726

**Minneapolis Public Housing Authority
2011 Capital Fund Five-Year Action Plan**

	FY11	FY12	FY13	FY14	FY15
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AMP 5 - Hiawatha

AMP	Project	Address	Bldgs	Units					
5	9	Hiawatha Towers	3	281	0	1,533,292	1,533,292	1,533,174	0
5	18.5	2533 South First Avenue	1	42	0	0	879,100	0	0
5	19	1920 South Fourth Avenue	1	110	2,299,200	0	0	0	0
5	24	1707 South Third Street	1	199	0	1,902,702	1,353,590	0	0
5	34	2419/33 South Fifth Avenue	2	254	0	0	0	0	1,141,060
Total AMP 5			8	886	2,299,200	3,435,994	3,765,982	1,533,174	1,141,060

AMP 6 - Cedars

AMP	Project	Address	Bldgs	Units					
6	6/30	Cedars Community	4	539	649,000	870,840	708,000	472,000	944,000
6	8	Elliot Twins	2	174	0	0	0	875,560	0
6	16	1515 South Park Avenue	1	182	888,540	0	0	0	0
Total AMP 6			7	895	1,537,540	870,840	708,000	1,347,560	944,000

AMP 7 - Horn

AMP	Project	Address	Bldgs	Units					
7	14	1415 East 22nd Street	1	129	1,180,000	686,406	0	0	0
7	17	2728 East Franklin Avenue	1	151	0	0	0	866,356	749,246
7	18.4	3755 South Snelling Avenue	1	28	0	0	0	0	460,519
7	22	3205 East 37th Street	1	28	0	0	0	0	338,978
7	31	Horn Towers	3	491	0	0	1,397,138	0	0
7	36	2121 South Minnehaha Avenue	1	110	914,500	0	0	0	0
Total AMP 7			8	937	2,094,500	686,406	1,397,138	866,356	1,548,743

Management, Maintenance, and Special Facilities

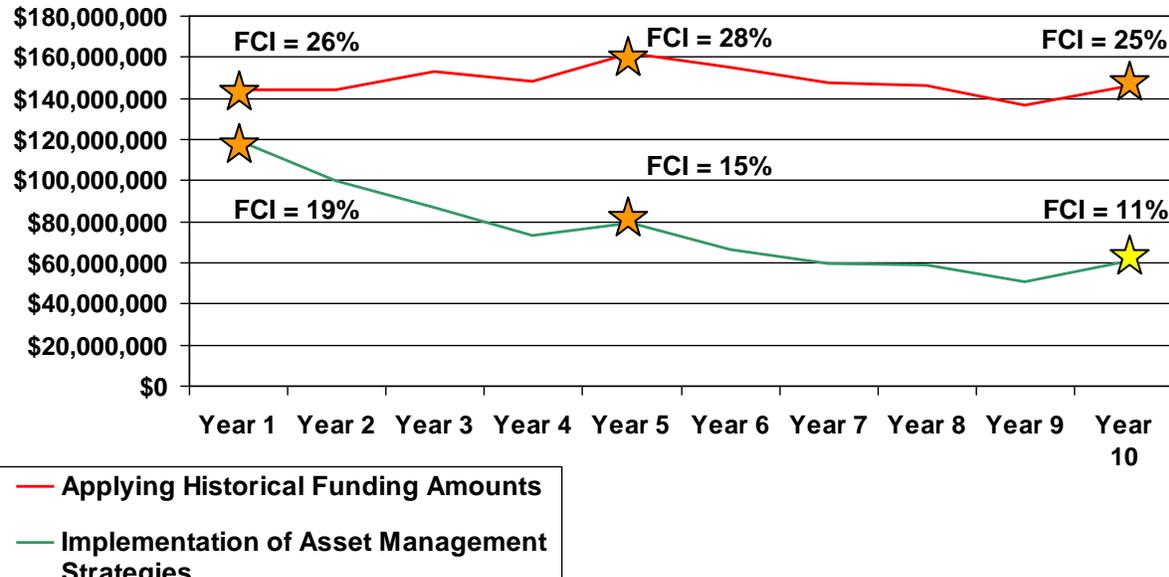
Project	Location	Bldgs	Units						
93	1301 Bryant Maintenance Office	1		0	0	0	0	0	0
96	1001 Washington Main Office	1		501,500	0	0	0	0	0
Total MM & S			2		501,500	0	0	0	0

Area-Wide

1410	Administration			1,420,000	1,220,000	1,220,000	1,220,000	1,220,000	
	EPC Supplementary Budget			600,000	0	0	0	0	0
	Security Improvements			425,000	0	0	0	0	0
	Comprehensive Needs Analysis			250,000	0	0	0	0	0
1499	Development			50,000	0	0	0	0	0
1460	Common area improvements			1,100,000	229,999	380,655	464,689	501,332	
				3,845,000	1,449,999	1,600,655	1,684,689	1,721,332	

GRAND TOTAL			822	5,895	18,475,460	11,234,000	11,234,000	11,234,000	11,234,000
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By implementing this and other aforementioned strategies, MPHA is able to reduce its overall capital needs by almost 65% within the next five years and by approximately 75% within the next ten years, which results in a greatly improved FCI rating for our assets:



An 11% FCI, which is as close to the “Fair Range” as we will get in ten years, indicates that MPHA is strategically planning and leveraging additional funding sources to ensure the long-term viability of its assets.

MPHA considers the outcome of the aforementioned investment strategy 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.

■ Description of any new public housing units to be added during the year by development.

HUD had previously approved a disposition application that included replacement for eight scattered site units all of which have been successfully disposed of to date.

These units will be replaced with eight new units in clusters of approximately four or more units depending on land availability. These units will have 3-4 bedrooms each and one of the units will comply with Section 504 of the Fair Housing Act. These units will be Energy Star certified.

MPHA is also converting one highrise caretaker two-bedroom unit into a one-bedroom unit to be returned to the rent rolls. This new unit will not be accessible since the second bedroom is being converted to storage for the building and there are structural constraints to expand the remaining space in the unit for accessibility features.

Project	Bedroom Size						Total
	1	2	3	4	5	6	
Caretaker Units	Current size						
AMP 3 2415 N 3 rd #102	2	Unit to be converted from a 2 to a 1 bedroom unit					

■ Number of units to be removed from the inventory during the year by development specifying the justification for the removal.

MPHA intends to dispose of and replace approximately eight single family units from its AMP 2. 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. MPHA is in the process of identifying funds to accomplish this purpose. The magnitude of this project is dependent on the amount of funding that is identified and assigned to this purpose.

Under its MTW Agreement with HUD, MPHA is authorized to convert 112 units of its mixed financed public housing units to project based Section 8. However, this conversion is only valid through the demonstration and is not a permanent authorization. In addition, HUD is continuing funding for these units as public housing units as it has not provided additional funding for the conversion. These units will not be removed from the public housing inventory until HUD would authorize a permanent conversion and provide MPHA with additional voucher resources to support the costs related to project basing of these units.

■ **Number of Housing Choice Voucher Units (HCV) units authorized:**

In MTW Plan Year 2011, MPHA has HUD ACC authorization for 4,862 Housing Choice Vouchers.

■ **Number of Housing Choice Voucher Units (HCV) units to be Project Based:**

- ▶ MPHA has received authorization from HUD to convert 112 units of its mixed-financed public housing units to project based Section 8. These units are in various jurisdictions throughout the metropolitan area with two developments within the City of Minneapolis. MPHA does not own or manage these units and the asset management requirements for public housing which is neither owned nor managed by MPHA does not provide sufficient authority for compliance with and overseeing agency asset management responsibilities. MPHA intends to seek replacement vouchers and convert these units through its project based initiative.
- ▶ MPHA intends to convert an additional 200 public housing units to Section 8 either through the voluntary conversion or disposition process, and then project base these units through its Section 8 project based initiative. MPHA is seeking additional Housing Choice Vouchers from HUD and will not convert these units without the additional vouchers.
- ▶ MPHA has entered into a partnership with Plymouth Church Foundation for project basing six vouchers at its Creekside Commons development. Project based funding for this development allows the Foundation to develop and operate an additional 24 units of affordable family housing. The project based units for this development consist of five three- bedroom units and one four-bedroom unit including an accessible unit. This initiative was included as part of the 12 MTW Initiatives for FY 09. The project was completed in September of 2010.

▶ **MPHA currently has 685 project based vouchers at the following developments:**

PROJECT NAME	# of UNITS	Owner / Mgmt
ARCHDALE -- PB (1600)	13	Aeon
ARMADILLO FLATS 2727 -- PB	4	PPL
ARMADILLO FLATS 2743 -- PB	4	PPL
BALMORAL-- PB	10	Aeon
BARRINGTON-- PB	3	Aeon
BOTTINEAU LOFTS -- PB	9	Sherman Associates
BOULEVARD -- PB	6	Perennial Management
CATHOLIC ELDERCARE -- PB	25	Catholic Eldercare Services
CENTRAL AVENUE APTS -- PB	61	RS Eden
CENTRAL AVENUE LOFTS -- PB	8	Sherman Associates
CLARE APTS -- PB	28	Sherman Associates
COLLABORATIVE VILLAGE -- PB	16	PPL
FAMILIES MOVING FORWARD-- PB	12	CommonBond
FRANKLIN PORTLAND -- PB	7	Aeon
HIAWATHA COMMONS -- PB	20	Hiawatha Housing LP
JEREMIAH-- PB	18	Jeremiah Program
LAMOREAUX-- PB	13	Aeon
LINDEN PLACE -- PB	4	CommonBond
LINDQUIST -- PB	24	RS Eden
LORING TOWERS -- PB	43	Aimco - Loring Towers LLC
LORRAINE -- PB	14	RS Eden
LYDIA -- PB	40	Lydia House LP
MANY RIVERS EAST -- PB	7	Perennial Management
MANY RIVERS WEST -- PB	3	Perennial Management
MINNESOTA INDIAN WOMENS RESOURCE CENTER -- PB	14	MIWRC
PARK PLAZA -- PB	48	BDC
PARK PLAZA PH I -- PB	16	BDC
PARK PLAZA PH II -- PB	12	BDC
PASSAGE -- PB	10	Perennial Management
PHILLIPS FAMILY -- PB 2828 PORTLAND	18	Aeon
PHILLIPS FAMILY-- PB 2805 CEDAR	10	Aeon
PHILLIPS PARK INITIATIVE dba JOURNEY HOMES -- PB	12	Perennial Management (LSS)

PROJECT NAME	# of UNITS	Owner / Mgmt
		Owner)
PHILLIPS REDESIGN- - PB	4	Aeon
PINECLIFF- - PB	7	Aeon
PORTLAND VILLAGE - - PB	24	Portland Village LP
RIVER RUNS - - PB	16	Sherman Associates
ST ANTHONY MILLS - - PB	17	St. Anthony LP
ST. BARNABUS - - PB	39	Aeon
SUCCESS FAMIL HOUSING - - PB	8	Success Family Housing
TRINITY GATEWAY dba TRINITY ON LAKE- - PB	16	BDC
TUBMAN FAMILY ALLIANCE- - PB	10	Tubman Family Alliance
WEST RIVER GATEWAY- - PB	12	Gateway Real Estate
	685	
	685-587=98	98 formerly Cedar Square West (CSW)
NOTE		

B. Leasing Information

■ Anticipated total number of MTW Public Housing Units leased in the Plan year.

MPHA expects to have 6,057 units to be leased. This number of units will result in a 97% overall occupancy rate for MPHA.

■ Anticipated total number of non-MTW units leased in the Plan year.

N/A

■ Anticipated total number of MTW HCV units leased in the Plan year.

The Section 8 HCV program expects that 4,716 vouchers will be under lease each month. MPHA has also dedicated an additional ten HCV vouchers to be added to its MTW Section 8 Homeownership program in the next year. While these vouchers are not technically 'under lease' they will be available to contribute to a mortgage payment in the same manner that housing assistance payments are available to a landlord.

MPHA plans to do a voluntary conversion and as needed waive regulations under that rule to complete the conversion of the 112 units allowed under Attachment D and 200 similarly situated public housing units at Heritage Park. If successful, these 312 vouchers will be project based.

■ Description of anticipated total number of non-MTW HCV units leased in the Plan year

- MPHA has 91 Preservation/Enhanced Vouchers
- MPHA has 280 Moderate Rehabilitation Vouchers
- MPHA has 155 VASH Vouchers
- The Section 8 HCV Program expects that 526 non-MTW units/vouchers will be under lease each month.

■ Description of anticipated issues relating to any potential difficulties in leasing units (HCV or PH)

Section 8 / HCV:

- The elimination of Exception Rent areas and current Fair Market Rents and Payment Standards may impact where families can move.
- Low-income Families with questionable credit and rental histories limit their housing choices and impact who will rent to them and where.

- Community perception that Section 8/HCV participants are responsible for neighborhood crime. MPHA conducts criminal background checks on new admissions, port in families, and additions to the household. Has expanded collaborations with police, neighborhood organizations, City Council Members, and private citizens and maintains statistics and other data that show the level of involvement of Section 8 families who violate program rules as well as the number and percentage of families terminated for committing criminal offenses.
- Community perceptions and misinformation about HCV participants impact some landlords' willingness to participate in the program. This limits choices for families and creates challenges in meeting deconcentration goals.
- The difficulty Veteran participants of our HUD VASH Program face when searching for housing is criminal/legal histories, little or no rental history and the impact of extended periods of homelessness.

Public Housing:

- MPHA has experienced difficulty leasing family units in North Minneapolis. These issues are related to neighborhood crime, and high foreclosure rates in that area, leaving potential residents fearful and isolated.
- MPHA studio and efficiency units are more difficult to lease. Many applicants hold out for one-bedroom units making it more challenging to get these units leased.

C. Waiting List Information

■ Description of anticipated changes in waiting lists (site-based, community-wide, HCV, merged).

MPHA has three waiting lists and anticipates an MTW site-based waiting list for its new Rent-to-Own Initiative:

Public Housing/Highrise/Designated wait list: Open for elderly, near elderly and disabled

Public Housing Family: Opened June 22 – 26, 2010 and September 15-18, 2010. The Public Housing Family Waitlist is closed for new applications at this time.

Section 8 / HCV: No changes are proposed for this list

Public housing Rent-to-Own: Create special MTW site-based waiting list 20-unit townhome development only

Description of Current waiting lists:

Public Housing Highrise/Designated: There are 1,946 on the public housing highrise waiting list. These lists are limited to one-bedroom applicants. The highrise waiting list is currently closed except for elderly, near elderly and disabled applicants.

Public Housing Family: The family waiting list has:
1,150 families seeking two-bedroom units
633 families seeking three-bedroom units
59 families seeking four-bedroom units
104 families seeking five plus-bedroom units.

Section 8 / HCV:

The Section 8/HCV Waiting List was opened for two days, June 12 and 13, 2008 at which time over 12,000 applications were received. It is an active Waiting List; MPHA orders and selects from the Waiting List every month. Through issuance of the voucher and removal of applicants for failure to respond to offer letters, the number of current active applicants is 11,700. The MPHA Section 8 HCV Waiting List is currently closed for application.

Date the waiting list was last purged.

Public Housing Highrise:

This list was purged in Spring 2008

Public Housing Family:

This list was purged in Spring 2010

Section 8 / HCV:

This list was purged in April 2008 and with the on-going mailing of offer letters to applicants the list is purged on a quarterly basis.

■ **Description of anticipated changes in the number of families on the waiting list(s) and/or opening and closing of the waiting list(s).**

MPHA opened its family Waiting List June 22 through 26, 2010 Applications have not been entered yet. Section 8 HCV Program has an average turnover of 50 families per month. MPHA plans to purge the Waiting List in April 2011.

MPHA's Rent-to-Own waiting list: MPHA intends to open and close this waiting list in 2011.

Section III: Non-MTW Related Housing Authority Information (Optional)

A. List planned sources and uses of other HUD or other Federal Fund (excluding HOPE VI)

See MPHA Sources & Uses Section.

B. Description of non-MTW activities proposed by the Agency.

In this Section MPHA describes a number of its significant activities that are not related to MTW, but have an impact on its residents and program participants. This includes its Assisted Living and Housing with Services programs for the frail elderly, ESCO energy savings program, Project Based Section 8 programs, Publically Owned Transitional Housing (POTH) housing with services program, as well as its resident involvement and participation initiatives.

■ **Assisted Living and Housing with Services Programs**

The MPHA has assisted living and Housing with Services (HWS) programs in eight of its senior buildings. Through a partnership between MPHA, Hennepin County and the assisted living providers, program participants receive on site staffing two to three shifts per day, nursing services, medication monitoring, at least two meals a day seven days per week, housekeeping and laundry services, assistance with bathing, social and recreational activities, emotional and personal supports, social work services and other supportive activities as needed.

MPHA has partnerships with the Assisted Living and HWS providers at the buildings listed below:

- **Accessible Space Inc. (ASI)** at 1707 – 3rd Avenue South
- **Ecumen** at Signe Burckhardt Manor, 2533 1st Ave. South
- **Ecumen** at Rainbow Terrace Highrise at 1710 Plymouth Ave North
- **Volunteers of America** at Lyndale Manor, 600 18th Ave N and Parker Skyview, 1815 Central Ave N.E., Horn Towers, 115 W 31st/3100 Blaisdell
- **Korean Service Center (Grace Place)** at 630 Cedar Ave S
- **Augustana Community Partners** at Heritage Commons at Pond's Edge, 350 Van White Memorial Blvd
- **Search** at 630 Cedar Avenue South

MPHA's assisted living and HWS programs increase housing choices. Without these programs frail elderly and disabled residents and applicants would not have public housing as a housing

option. It also reduces costs and achieves greater cost effectiveness. Assisted living/housing with services (HWS) clients avoid nursing home placements, remain in units longer, receive supportive services and enjoy independent living. Assignment of assisted living by slot as opposed to hard unit, allows residents to remain in their own apartment instead of having to move to receive needed services.

Eighty percent of assisted living clients remain in the program for at least six months, 64% remain for at least one year. This saves the State of Minnesota about \$3,000 to \$6,000 per month per assisted living client depending on the needs of the client.

Other assisted living benefits include:

- Fewer and delayed nursing home placements
- Reduced turnover of units
- Opportunity to market public housing
- Enhances the quality of life for participants
- Accessibility to assisted living services by other residents
- Enhanced security and reduced need for additional security with the second and third shift assisted living and HWS staff

MPHA has determined that assisted living/housing with services programs are better managed with outside service providers rather than MPHA staff. MPHA provides the property management services and the service providers the assisted living component.

Assisted living programs require a minimum of 25 participants to sustain the program and participation may be limited depending upon the size of the highrise. Currently, MPHA's largest assisted living program is 40 resident participants.

MPHA provides support to assisted living services and HWS at our facilities, such as office space, use of community kitchen and laundry facilities. However, the assisted living and HWS programs and support services must be self-sustaining.

There are a variety of assisted living and HWS providers who want to make their services available to public housing residents. Through negotiations with Hennepin County, MPHA has issued RFPs for proposals. To monitor the needs and progress of residents/clients, assisted living and HWS vendors provide quarterly reports to MPHA and meet with MPHA staff on a regular basis.

■ **Presumptive Eligibility for Assisted Living and Elderly with Services Applicants**

MPHA intends to create a presumptive eligibility status and open waiting list status, even if the waiting list is closed for frail elderly persons who have been screened as eligible for Assisted Living and/or Housing with Services. MPHA will verify income eligibility and other

federally required standards and presume the applicant meets all other MPHA admissions criteria.

MPHA anticipates this will assist in the success of the Assisted Living and Housing with Services programs operating in the seven specific designated MPHA highrises. Current applicant screening processes often result in delays, both threatening the stability of the Assisted Living and Housing with Services program and the timely and stable housing for a frail elderly person. The health and safety of these clients are at risk as many of these persons are being discharged from nursing homes or other rehabilitation facilities.

MPHA currently has a 220 Assisted Living/Housing with Services Capacity. This activity should decrease by 50% the time from approval for Assisted Living/Housing with Services and being housed at an MPHA facility.

■ **Energy Services Company (ESCO):**

MPHA is faced with increasing challenges with regards to adequate funding for its operations and for its capital needs. Its most recent physical needs assessment identified in excess of \$245 million of needs that are required to ensure the long term viability of its assets. With an average annual funding available from HUD for capital improvements of around \$10 million and funding for Agency operations at less than 85% of the subsidy formula, MPHA has experienced a ‘funding to need gap’ that continues to grow at an alarming rate. MPHA has had to engage in intense strategic planning on how to deal with these challenges.

One of the leading asset management strategies MPHA intends to utilize in order to meet these challenges is to make use of HUD’s ESCO program which is expected to make a significant dent in the \$245 million dollars physical needs of our properties.

MPHA issued a Request For Proposals asking industry leaders in energy conservation to submit a plan that would enable MPHA to reduce energy cost and leverage the savings to purchase equipment and make adaptations to make us more efficient and effective in the use of our resources.

Honeywell International responded with a proposal that identified large dollar needs such as boilers in MPHA highrises, which are the age of the buildings; some of them dating back to the late 50’s and early 60’s; energy efficient appliances, water conservation measures, etc. as high priority improvements that MPHA could make in positioning its resources.

MPHA is also interested in focusing on renewable energy and green building technology. This focus, along with the extent of the scope of energy improvements proposed by Honeywell and

their commitment to involving and providing employment opportunities for MPHA residents under a proposed ESCO agreement resulted in a score that paves the way for MPHA to enter into a long term Agreement with Honeywell International.

This project and MPHA's partnership with Honeywell could forge a relationship for up to 20 years. This agreement could leverage over \$30 million in funding and also free up other capital improvement dollars that would have gone for work now covered by the ESCO.

■ **Project Based Section 8**

MPHA's mission calls for the agency to "as a valued partner, contribute to the well-being of the individuals, families and community we serve." In the operation of its public housing and its Housing Choice Voucher (HCV) programs, the Agency recognized that there were distinct populations who needed not only housing, but supportive services to successfully participate in the life of the community. MPHA did not have the capacity or the resources to support these populations; however, the agency could make a significant contribution to the men, women and children who comprised these groups. MPHA could provide funding that would offer stable housing and provide a venue where families could receive the needed supportive services.

MPHA issued an RFP for service providers to offer a limited number of HCVs that could be project based. This strategy allowed for service providers to have a stream of income that supported the costs of housing while utilizing their limited resources to provide critical support to individuals and families.

To date, MPHA has awarded 685 vouchers to more than 20 agencies and organizations for housing assistance funding. These funds not only allowed participating families to secure needed housing and services, they also enable the participating agencies to leverage other funds to support the development of housing developments designed for the type of services to be provided.

MPHA's project based Section 8 program funds an array of supportive housing initiatives including:

- Homeless drug abusing pregnant women and women with children
- Low-income single parents with below functioning education and communications skills
- Women and children who are victims of family violence
- Homeless families, children and single adults
- Families with multiple issues including chemical dependency, mental health and criminal behavior
- Native populations who have drug and alcohol dependency issues
- MFIP (Welfare Families) with more than four children
- Seniors who cannot live independently

- Individuals with severe mental illness
- Youths and runaways whose families are unable or unwilling to provide housing

MPHA's project based initiatives have helped fill a huge gap in the continuum of care needs for families in the Minneapolis community. Prior to this program, there would be opportunities for services, but lack of affordable housing would limit and often undermine the ability to receive consistent and ongoing services. In other instances, families would qualify for housing assistance, but with the supportive services, the family would lose their housing and be in even more dire situations as their rental histories undermined future opportunities for housing.

MPHA's project based programs help bridge the housing service gap and creates opportunities for those participating in the supportive services programs. Last year MPHA adopted a policy that sets aside up to 20% of unallocated vouchers to be available for those who participate in project based voucher programs for one year. This allows families to who are successful in their programs to move out into other housing options and subsequently frees up space for another person or family needing housing and services to find an opening.

■ **Publicly Owned Transitional Housing (POTH)**

MPHA, as a unit of local government, can utilize its status to serve as a recipient of funds and ownership entity for collaborative efforts to address specialized needs in the community. MPHA has served in this capacity on at least four occasions.

The State of Minnesota awards funds for target programs, but requires that the entity receiving the funds be a local unit of government and must be the owner if real property is involved. Through these initiatives, MPHA has supported the creation of two women's shelters, one with transitional housing, an emergency housing center for homeless youth and a program which offers transitional housing for chemically dependent women.

These POTH programs do not require MPHA to make vouchers available or contribute other scarce resources. Participation does require a considerable amount of time and in-kind contributions from the Agency as these various POTH agreements are negotiated and the properties developed. Once the programs are developed and in place, MPHA must still meet minimum requirements for reporting and ensuring compliance by the partner organizations.

However, the increase in shelter opportunities and the supportive services that can lead to self-sufficiency are compatible with MPHA's mission and have prompted the Agency on occasion to take on this responsibility as a POTH program owner.

■ Resident Involvement / Resident Services:

MPHA has a rich history of promoting resident involvement and fostering the development of services that respond to the needs of residents. MPHA's success at such efforts is exemplified in three areas:

● Social Services in the highrises

The Minneapolis Public Housing Authority (MPHA) has a long-standing agreement with the Volunteers of America of Minnesota (VOAMN) to provide social services to its highrise residents. Funding for the VOAMN social services is provided primarily through a separate contract between VOAMN and Hennepin County Human Services Division. MPHA provides in-kind services consisting of free, on-site office space as well as service coordinator funds which permit services to both elderly and non-elderly disabled residents. In return for the support provided by MPHA, VOAMN provides individual social services to highrise residents which include operation of congregate dining programs, case management, group activities, and support to the resident councils. In addition, services provided by VOAMN are very critical to MPHA's successful senior only housing programs.

● Minneapolis Highrise Representative Council

The Minneapolis Public Housing Authority (MPHA) and Minneapolis Highrise Representative Council (MHRC) have an on-going partnership in supporting resident involvement in various aspects of MPHA's operations. The MHRC is a city-wide (jurisdictional) resident council organization which provides a variety of training, advocacy services to residents, and administration of various resident empowerment programs. Examples of some of these programs include the laundry project which entails maintaining of the laundry facilities in the highrises and offers residents opportunities for employment and volunteerism. Another program is the Project Lookout program which entails training and administration of a voluntary resident patrol program involving residents observing and reporting suspicious and/or crime related activities to MPHA and/or to the police. The MHRC also administers the joint MPHA/MHRC Diversity Initiatives program. MPHA has a very diverse resident population and as such this program addresses residents understanding of cultural differences through training, education, and community activities.

- **Resident Participation**

MPHA has established various venues for resident review, input, and participation in its operations and to foster residents' involvement in their communities. MPHA has two (2) resident members on its Board of Commissioners and continues to partner with 41 resident councils (which includes one jurisdictional council, i.e. the MHRC) providing technical assistance to aid in their operations/programs. In addition, resident participation funds are distributed to the councils, with the assistance of MHRC, to permit them to fund community building activities, train resident leaders, and support coordination specific resident services to enhance residents' overall quality of life.

MPHA residents and program participants have engaged the Agency and continually challenge it to deliver the highest quality services; MPHA has responded by being a high performer for the eleventh consecutive year. Resident dialog with MPHA in both formal and informal environments and through these communication venues allows the Agency to learn what residents need and value and together innovations and changes occur. MPHA residents and program participants take great pride with MPHA staff on what has been accomplished with the strictures of the funding shortfalls, federal and state mandates and a regulated environment. The MTW statutory objectives will be a springboard for new opportunities and MPHA and residents look to the future of MPHA with MTW as a new tool.

- **Section 8 Housing Quality Standards Inspections Demonstration Program Partnership with City of Minneapolis Inspections Department.**

MPHA is proposing a partnership with the City of Minneapolis where Section 8 HQS inspections will be conducted by the City of Minneapolis Inspections Department utilizing the City's Landlord Certification, Licensing and Inspections Process in lieu of MPHA's Section 8 HQS inspections criteria. The City of Minneapolis landlord licensing criteria is overall equal to or more stringent than HUD HQS requirements. MPHA believes MPHA's HQS inspections protocol in some respects may be duplicative of the City's licensing and inspections process for landlords resulting in inefficient overlapping use of government resources.

MPHA plans to contract with the City of Minneapolis to conduct inspections for its Section 8 HCV participants in selected areas of the city using its Landlord Licensing Criteria and landlords licensed to operate would also be approved for the Housing Choice Voucher program. MPHA intends to compare the demonstration initiative with its other HQS inspections activities related to costs, quality and satisfaction by HCV participants and landlords. MPHA will take all steps required to implement this in 2011.

Section IV: Long-term MTW Plan (Optional)

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

MPHA's Long Term MTW vision integrates the mission of the Agency with the purposes of the MTW Statute by identifying long-term initiatives that can be realized under the flexibility of MTW.

1. High Performer Status

MPHA is committed to maintaining its "high performer status" in its Public Housing and Section 8 Housing Choice Voucher programs. In this era of funding shortfalls and increasing unfunded mandates, MPHA intends to use the MTW flexibility to focus its resources and adopt policies that support high quality services to residents and program participants, maximize opportunities for efficient and effective delivery of our programs and take actions to preserve our properties for future generations.

2. Preserve MPHA Properties

MPHA has conducted a comprehensive needs assessment of its 41 highrise developments, 184 unit town home development, 733 scattered site units and two administrative buildings. The capital needs in the next ten years are estimated to be in excess of \$245 million. The Facility Condition Index (FCI) analysis of our properties has identified significant needs, which if unaddressed, would in 10 years leave our properties in the "poor to critical" range. MPHA has a number of strategies that if fully implemented could move our properties into the fair to good range. These strategies envision an Energy Services Company (ESCO) program in excess of \$30 million, the completion of our ARRA Formula Grant activities, the implementation of our Capital Fund Recovery Competition Scattered Site Green Initiative and use of our MTW authority to dedicate funds to capital needs.

3. Self-Sufficiency Initiatives

MPHA is committed to enhancing self-sufficiency opportunities for its residents and program participants. MPHA will target resources and utilize MTW flexibility to address the statutory requirement of providing "incentives to families with children whose heads of households 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". MPHA also sees self-sufficiency in a broad perspective and will utilize its MTW authority to promote

employment and training opportunities for single adults, create and enhance programs to allow elderly residents and program participants to remain in their homes and be self-sufficient in daily living activities and to assist youth to break the cycle of poverty.

4. Housing Choice Voucher Participation

The need for affordable housing in Minneapolis and the surrounding metropolitan area has increased significantly over the past several years. It is estimated that there are over 5,000 people, including significant numbers of children, who are homeless on any given night in our area. MPHA intends to increase its use of vouchers, engage in additional targeted project based Section 8 programs and use MTW authority to better respond to the housing needs of low-income families in our community.

5. Promote Home Ownership / Foreclosure Prevention

Over 185 families have purchased homes through MPHA's various homeownership programs. Under MTW, MPHA will combine its homeownership initiatives and add a Foreclosure Prevention component. MPHA will partner with community agencies to help low-income families become first time home owners and to avoid foreclosure.

MPHA is revamping its Section 8 Homeownership program and based upon the knowledge learned through its demonstration program will make changes that enhance responsibilities and supports for participating families. The goal is to promote self-sufficiency and success for first time homebuyers. This 10 year initiative under MTW will provide one-on-one counseling, mortgage support, down payment assistance and post purchase follow up to participating families.

6. Rent Reform/Simplification

MPHA will analyze its rent policies to make the processes simpler, more resident friendly, cost effective and to encourage families to become more self-sufficient. These strategies include doing re-certifications every three years for elderly or disabled public housing residents who are on a fixed income and simplifying processes for monitoring the earned income disregard. MPHA is also looking to create a working family incentive in both its Section 8 HCV and low-rent programs. 15% of all earned income will be disregarded in rent calculations. MPHA is also changing its Minimum Rent Policy to encourage employment and promote self-sufficiency. MPHA will develop these and other rent reform initiatives after consultation with residents, program participants, resident organizations and other key constituencies.

7. Resident/ Participant Involvement and Collaboration

MPHA has a strong history and commitment to resident/participant involvement and collaboration. MPHA works with 41 highrise resident councils, a city-wide Minneapolis Highrise Representative Council and two family based resident organizations. There are two resident members on the MPHA Board of Commissioners. MPHA also works with the Tenant Advisory Committee (TAC) that meets prior to each board meeting and comments on issues presented to the MPHA Board. In addition, the MPHA Board of Commissioners appoints a Resident Advisory Board (RAB) that has helped to develop MPHA's annual Agency Plan and now assists with developing its MTW Plan.

MPHA also works with various other resident committees including the Security Advisory Committee (SAC), Modernization, Maintenance and Management (MMM) Committee and other committees where residents and participants collaborate with MPHA on various projects and issues. MPHA intends to continue to improve these collaborations under MTW.

8. Community Partnerships

MPHA has a unique and special collaboration with the City of Minneapolis which helps the City respond to critical affordable housing needs. In addition, the agency has established partnerships with various community agencies and organizations that have resulted in increased services for its residents and contributed to the betterment of the community. MPHA sees MTW as a vehicle for enhancing those partnerships and increasing opportunities for collaboration.

MPHA is also partnering with the City of Minneapolis to develop and implement smoking reduction policies at MPHA owned properties.

9. Capital Fund

MPHA will use MTW flexibility in developing strategic responses to its five-year capital needs assessment. MPHA will allocate resources in a manner that prioritizes the needs and balances other operational and program demands.

10. Strategic Planning Initiative:

MPHA is undertaking a strategic planning initiative in 2011 that will establish the agency's priorities, guide its actions and provide the framework for its future endeavors.

MPHA will assess elements of PETRA and as appropriate integrate components of this legislation through use of its MTW authority. MPHA will include rent reform opportunities as it considers its strategic initiatives.

Section V: Proposed MTW Activities: HUD Approval Requested

■ Activity #1: Targeted Project Base Initiative

A. Description of Activity

This initiative will allow MPHA to allocate a limited number of vouchers for Project Basing for the specific purpose of creating additional, non-project based, affordable housing for low-income families in the City of Minneapolis.

B. MTW Statutory Objective

Increases housing choices

C. Anticipated Impacts

Under this initiative, MPHA Project Based Vouchers will foster development of additional affordable housing beyond the number of units to be project based. MPHA has a goal of 60 new affordable units to come from this project.

These vouchers will be awarded to programs and organizations that propose developments where there is a high ratio of new affordable units to those subsidized through MPHA's project based initiative. To facilitate this goal, MPHA is limiting the number of vouchers that will be project based to any development from a low of five vouchers to a high of twenty vouchers.

D. Baseline and Benchmarks

- **Baseline:**

MPHA has signed no AHAP agreements for targeted project base units

MPHA has no 'targeted' project base vouchers in use at this time

MPHA will allocate up to twenty (20) vouchers to developments that can demonstrate at least a 3 to 1 ratio of affordable non-project based units to the number of project based vouchers awarded.

MPHA will project base at least 15 vouchers – May project 20 vouchers

No affordable units have been created utilizing this initiative

- **Benchmarks:**

MPHA will sign at least two (2) AHAP and HAP Agreements by September 30, 2011

MPHA will enter in at least two (2) Agreements with Developers who will commit to a 3 to 1 ratio of non project based affordable housing units, for each Project Base voucher provided by MPHA. (By September 30, 2011)

45 units of non-project based affordable housing units. (December 31, 2011)

60 units of non-project based affordable housing may be created if all 20 vouchers project based.

E. Data Collection & Metrics

Data will be collected manually and from MPHA's administrative data system.

Metrics will include:

- Copy of Project Basing Policy for Targeted Voucher Program
- Copy of Published Competitive Process
- Verification of AHAP and HAP Agreements signed
- Signed Agreement between MPHA and Developer for commitment of a three (3) to one (1) ratio of non project based affordable units for each project based unit
- Lease up of Project Base Units in PIC

F. Authorization Cited

This provisions 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

G. Rent Reform Analysis:

Not Applicable

■ **Activity #2: MPHA is proposing a new soft subsidy initiative that would increase housing and promote self sufficiency.**

A. Description of Activity

MPHA intends to create a program in partnership with Alliance Community Housing with set subsidies for special conditions that are also time limited. We envision these subsidies as time-limited flexible in amount and duration (lasting up to five years). These subsidies need to be structured to incentivize work so that the household is better off financially if the parent works and not penalized dollar for dollar so they are no better off if they work than if they don't. 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 will provide high quality housing to 20 homeless or formerly homeless families beginning January, 2011. Most of these families will be multi generationally poor, African American, single parents with little to no work history. Many will have little education, poor rental history and some will have criminal histories. Our 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 will help them with logistical problems as well as questions and concerns that might lead them to give up if unaddressed.

MPHA and Alliance Community Housing will draft and enter into an Agreement prior to program implementation that details program components, including how families are chosen for participation. This Agreement will be completed prior to the end of January 2011.

Rent structure and subsidies

Unit Size	Monthly Rent	Tenant Pd Electric	Total Monthly Housing Costs	Subsidy	Tenant Pd Hsg. Cost
1 BR	700	25	725	350 until employed	375
				425 when employed	300
				375 between jobs	350
2 BR	800	38	838	350 until employed	488
				425 when employed	413
				375 between jobs	463

Length of Subsidies

MPHA expects these subsidies to last 3-5 years or until the parent is able to sustain employment for at least 6 consecutive months, their hourly wage is at least \$11/hr. and they are working at least 30 hours a week. Self Sufficiency shall be determined by this standard of employment, time, hourly wage and hours per week.

Number of Subsidies and Timeline

MPHA expects to dedicate 20 subsidies to this project beginning in 2011 and have all subsidies allocated by early 2012.

B. MTW Statutory Objective

Increase Housing Choices / Self Sufficiency.

C. Anticipated Impacts:

We expect these subsidies to encourage work and increase the quality of life for the participating families and improve the surrounding community. In addition to the obvious benefit of families' increasing their incomes there are a number of benefits that come with working. For children there is increased structure in the household and greater housing stability and security. For adults there is increased self esteem, a feeling of more control over one's life, a sense of being able to contribute to society and a social support network at their job. Adults who have had little exposure to the workforce find employment can be an opportunity to see a different way of living and discover new possibilities for their lives.

This initiative is an 'add on' initiative and does not reduce MPHA's number of Section 8 vouchers and does not reduce any services funded by or through MPHA. This demonstration initiative allows MPHA to explore with its partner the viability of additional initiatives that can result in opportunities for families in non-Section 8 and Section 9 environments to cultivate strategies to assist at risk families where housing is a critical component of family stabilization and self sufficiency.

D. Baseline and Benchmarks:

The baseline for this activity will be

- 100% (20 families) on government financial assistance
- 100% of families will be HUD eligible for housing
- 85% (17 families) have never had permanent full time work
- 75% (15 families) have less than one year continuous work history
- 75% (15 families) lack high school diploma or GED
- 50% (10 families) highly mobile

The proposed benchmarks for this activity:

- 75% (15 families) will no longer need government financial assistance
- 100% (20 families) working at least part time by the end of three years
- 75% (15 families) will have permanent full time work
- Average annual income of families is \$22,880 at end of fifth year (\$11/hour for 40/hrs per week)
- 75% (15 families) will complete their GED
- 85% (17 families) will stay in their housing for five years
- 15% (3 families) will be unable to maintain their housing

E. Data Collection & Metrics:

Tenant Services staff will review progress with families every three months. Staff will collect pay stubs and work verifications to document employment. Certificates to document completion of GED or post secondary training will be required from participants.

In addition to the proposed benchmarks, will track progress in education for children, including copies of report cards which list grades and number of absences.

F. Authorization Cited

This authorization waives certain provisions of Attachment C Section B 2 Partnerships with For and Non-profit entities including certain provisions of Section 13 and 35 of the 1937 Act and 24 CFR 941 subpart f and Attachment C section D 1, 2a, 2b, 2d, 3a, 3b, and 4 including Sections 8(o)(1),(2), (3),(7)(a), (10), (13)(G), (H)-(I)of the 1937 Act and 24 C.F.R. 982.303, 308, 309, 451, 503, 508 and 518 and 983 subparts E and F as necessary to implement the Agency’s Annual MTW Plan and utilizes the authority allowed in the the amendment to Attachment D currently under consideration by HUD.

G. Rent Reform Analysis :

MPHA Board approved this initiative at its September 22, 2010 meeting

Participants in this program are not current public housing or Housing Choice Voucher participants so there is not an impact related to changing them to an alternate subsidy calculation, as there would be in a typical rent reform for existing public housing/Voucher households. Therefore there is no impact analysis for this initiative.

MPHA and Alliance Community Housing will review the status of participants on an annual basis and agree on common strategies to assist families who demonstrate cooperation with program but who due to no fault of their own are unable to make progress.

As this is a time limited program, families who participate for the full five years will not experience a hardship as the program simply ends

Alliance Community Housing has agreed to find alternative housing for families within their other housing resources for families who have otherwise cooperated with the program and who through no fault of their own are still unable to become self-sufficient.

Families who are unable to meet and continue program goals will be considered for other Alliance Community Housing opportunities.

Section VI: Ongoing MTW Activities: HUD Approval Previously Granted

The Minneapolis Public Housing Authority (MPHA) proposed 10 MTW initiatives under its 2009 MTW Plan and 5 under its 2010 plan. Other than the outside evaluation in Activity 3, MPHA does not intend to utilize outside evaluators for its MTW Activities. Each initiative meets at least one of the statutory purposes listed below:

- ▶ Reduce costs 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; and
- ▶ Increase housing choices for low-income families

MPHA MTW Plan Initiatives Implemented in 2009

MPHA does not anticipate a need to employ additional authorizations to continue initiatives under this section.

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.

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

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 enable MPHA to focus staff resources on other critical needs. After implementation, many elderly and disabled residents have favorably commented on this initiative. Many have difficulty gathering the yearly documentation in a timely manner and are relieved that they will only have to go through this process once every three years.

MPHA plans to phase in this initiative over a three year period allowing the agency to recertify one third of the residents covered by this initiative every year. It is estimated that 3,300 residents will benefit from this MTW activity.

Staff began implementation of this activity in January 2009 for recertifications with effective date of May 1, 2009. 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. MPHA will continue this initiative in 2011.

Activity 3: Combine MPHA's Current Homeownership Programs into a Single MTW Initiative with a Foreclosure Prevention Component

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.

As of September 2010, with first time homebuyer education, mortgage readiness counseling and down payment assistance provided by MPHA's non-profit partner, Family Housing Fund, 171 families successfully purchased homes through MPHA's HOME program. An additional twenty one families purchased through MPHA's MTW Moving Home Section 8 demonstration. Of these, 18 successfully went off of Section 8 monthly mortgage assistance. None of the families are on the original MTW Homeownership Program; however, three are currently receiving up to an additional two years of assistance through MPHA's Foreclosure Prevention Initiative.

The new 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.

The details of the Foreclosure Prevention component is an appendix to the Section 8 Administrative Plan. MPHA also includes in the appendix, revisions to the Section 8 component of the revised MTW Homeownership program.

MPHA conducted informational meetings to announce the Section 8 Moving Home demonstration to public housing residents. MPHA has entered into an MOU with Twin Cities Habitat for Humanity who will select eligible North Minneapolis Families facing eminent foreclosure due to unforeseen hardship for participation in "Saving Home", where MPHA will provide Section 8 Mortgage Assistance.

MPHA is collaborating with a non-profit organization, Person to Person, Inc. who provides life

skills counseling and support to families working toward self-sufficiency. The St. Catherine's University has agreed to perform an independent evaluation measuring Person to Person's "Coach Approach" in providing independent living skills and financial literacy counseling to measure the effectiveness of this training/counseling in the participant's success in home purchase and in maintaining their homes.

MPHA will continue this initiative in 2011.

Activity 4: Rent Reform: MPHA Will Revise its Earned Income Policy to Allow Eligible Public Housing Families a Full Two-Year Income Disregard

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 will create a full two year income disregard for eligible families and eliminate the administrative hardship and time consuming monitoring.

This MTW initiative will enable MPHA to reduce costs and achieve greater cost effectiveness. In addition, it will provide an incentive for families to maintain employment because the program will be 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.

Implementation of this activity began October 1, 2008. 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 has denied resident the opportunity to secure employment and take advantage of this program. There are currently 37 public housing residents taking advantage of this initiative and with the slow economy MPHA predicts this number will remain steady.

MPHA intends to continue this program in 2011.

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

MPHA has implemented a new public housing Family Self-Sufficiency (FSS) program targeted for families who seek to become home owners. This program is limited to 50 families and has participation requirements to meet MPHA's homeownership program eligibility requirements.

MPHA has hired a Self-Sufficiency Coordinator and adopted an Action Plan which was approved by MPHA's Board of Commissioners. The Action Plan details this specialized Moving To Work approach to family self-sufficiency.

MPHA intends to continue this program in 2011 and anticipates that 25 families will participate in the program this year.

Activity 6: Section 8 HCV Mobility Voucher Program

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.

This program is structured to increase housing choices for families on the MPHA Section 8 Waiting List who currently live in areas concentrated by poverty and who are willing to move into non-concentrated areas. In addition, these families will receive a priority for MPHA's Section 8 Family Self-Sufficiency program and for participation in MPHA's homeownership programs.

MPHA has hired a "Community Services Coordinator" to administer this initiative and intends to issue 25 new mobility vouchers in 2011. MPHA has created an appendix to its Section 8 Administrative Plan that details the specific elements of this initiative.

March 2010

- Determined non-concentrated areas based on 2000 Census data for race and poverty
- Created maps of concentrated and non-concentrated areas to use as visual aids
- Created a 2 page marketing handout about the Mobility Voucher Program to attract new rental property owners

April 2010

- Created neighborhood profiles for non-concentrated neighborhoods (a total of 58)

- Compiled various resources and referrals for Mobility Voucher participants many of these are now found on MPHA's website under the Resource Center/Housing Resources.

May 2010

- Contacted all Minneapolis neighborhood organizations via email, phone calls and in-person visits to promote the Mobility Voucher Program (approximately 20-25 responded) this effort continued into June 2010.

June 2010

- Attended the 4th National Conference on Assisted Housing Mobility in Washington, DC
- Finalized the Mobility Voucher Program Action Plan
- Created a 2 page marketing handout about the highlights of the Mobility Voucher Program
- Developed a Renter's Guide for MPHA participants

July 2010

- Held 2 Mobility Voucher Program information sessions for current rental property owners
- Developed a Rental Property Owner Handbook for MPHA rental property owners
- Begin outreach efforts to new Rental Property Owners

August 2010

- Continue outreach efforts to new Rental Property Owners
- Make the first participant selections from the Waiting List

MPHA will fully have completed the establishment of the program, it's policies, guidelines, contractual agreements, and marketing to rental property owners in 2011 and anticipated issuing 25 mobility vouchers in the upcoming fiscal year.

Activity 7: MPHA MTW Investment Initiative

Under MTW, MPHA will waive federal restrictions on investment options as long as the investment strategies comply with Minnesota law.

This initiative will reduce costs and increase investment options free of Federal regulations which are more restrictive than Minnesota law. This activity is permitted under the Legacy and

Community Specific Authorizations in Attachment D of the Amended and Restated Moving To Work Agreement.

MPHA has not utilized this initiative and has temporarily suspended it. This initiative will be reconsidered in 2011 if economic conditions improve.

Activity 8: Resident Empowerment Initiative

MPHA recognizes that good ideas and new opportunities are not always aligned to a planning or funding cycle. MPHA intends to develop a Resident Empowerment Initiative that will allow the agency to consider, fund and implement initiatives that arise between MTW planning cycles without completing the time consuming process required to amend the MTW Plan. This initiative will include resident input and review. Activities under this initiative will contribute to the agency's self-sufficiency efforts and assist families with education, training and other supports related to seeking and keeping employment.

Any proposals requiring a change in MPHA's ACOP will be presented for resident review and if required, approvals from the MPHA Board or HUD.

MPHA has not developed any new empowerment initiatives in FY2010, but will continue this initiative in 2011. If there are no activities in 2011, this initiative will be removed from future plans.

Activity 9: Flexible Development Initiative

MPHA's Flexible Development Initiative will allow the agency to respond to development opportunities in a timely manner. On occasion, properties become available or opportunities arise that have critical windows that require more immediate action than is available under current policies. MPHA's initiative is designed in a manner that will allow MPHA to respond to and take advantage of opportunities as they arise.

MPHA will utilize the authorizations under MTW related to the demolition and disposition procedures, acquisition, new construction, moderate or substantial rehabilitation of housing subject to the required HUD approvals for incremental public housing units pursuant to Section 9(g) 3 of the 1937 Act to respond to development opportunities that serve the mission and asset management policies adopted by the agency.

This initiative will increase housing opportunities for families on our waiting list, will reduce costs and create efficiencies as the agency responds to development opportunities.

MPHA will continue this initiative in 2011.

Activity 10: Plymouth Church Initiative

MPHA has partnered with Plymouth Church Neighborhood Foundation for project-basing six (6) Section 8 HCV Vouchers as part of a 30-unit housing development, 'Creekside Commons'. The project based vouchers will support the financing of this development and serve as leverage for tax credits and other funds dedicated to this project resulting in an additional 24 units of affordable housing that would not be otherwise available without the MPHA's contribution. The project based units would allow for five three-bedroom units and one four-bedroom unit including an accessible unit. MPHA successfully completed Subsidy Layering and 3 of the Creekside Commons units have been leased up in September 2010; an additional 3 units are pending.

MPHA anticipates closing out the MTW component of this activity in early 2011.

MPHA MTW Plan Initiatives Implemented in 2010

Activity 1: Public Housing/Section 8 HCV Working Family Incentive

The MPHA Public Housing and Section 8 HCV Program are proposing a Working Family Incentive in an effort to increase the income and asset level of families with minor children in which any adult member is employed. For public housing the definition of family is expanded to include households that are exclusively adult. The rent calculation would contain an automatic fifteen (15) percent deduction from the gross annual earned income of the family. This deduction would provide the Working Family with available money to support work related costs, including but not limited to transportation, uniforms, and health insurance premiums. Currently, 32% of Section 8 HCV participants and 21.1% of public housing residents would meet the criteria of a Working Family. Working Family is defined as any family where earned income is part of the rent calculation no matter the amount.

MPHA's Section HCV Department tested various methods for tracking the Working Family Incentive (deduction) in its software, including implementing a special project – which would not produce results; issuing a special voucher prefix – which wouldn't work with Project Based Voucher participant families; applying a separate line item, noting the exclusion – which would not properly generate the data; and changing the income source – which is not possible because of the HUD identified codes.

The Section 8 HCV Department did, however, finally identify a method for tracking Working Family Incentive deductions in the software. The Department came up with a solution that enables them to pull accurate monthly statistics on the number of Working Family Incentive

participants (increases and decreases from the baseline pulled prior to their implementation) as well as, any increases in income for Working Family Incentive families and decreases in HAP for these families. The Section 8 HCV Department will use the exclusion feature in their software to capture the 15% Working Family Incentive deduction.

The Section 8 HCV Department will be able to begin implementation of the Working Family Incentive with the October annual re-examinations and any interims effective October 1, 2010 and beyond.

MPHA's public housing program implemented this initiative beginning, with all annuals and interims re-exams after January 2010, for all tenants with employment income. The baseline for the public housing program was captured in December 2009. The Public Housing program will repeat this annually. While we hope this initiative promotes self-sufficiency, the Public Housing program is experiencing an increase in elderly and disabled residents who do not work. So while the number of residents with employment income may decrease, we expect to see an increase in income for those employed and provide a push to those unemployed yet able to work residents to seek employment.

This initiative is automatically available to all residents who receive income. Participation is estimated to be 21.1% of all public housing families.

MPHA will continue this activity in 2011.

Activity 2: MPHA 's minimum rent Initiative for public housing residents and Section 8 HCV participants.

MPHA will implement the minimum rent identified for 2010 in 2011. The delay in implementation was due to the need to upgrade our software to the MTW 50058 as without the upgrade 50058's were failing in PIC. Tenants moving into public housing or utilizing a Section 8 voucher will pay the minimum rent that is in effect at the time of lease up. This initiative will increase the minimum rent of existing tenants or Section 8 voucher holders at the first annual or interim re-exam after January 2011. The minimum rent was \$50.00 per month and will increase to \$75.00 per month in 2011. This initiative will impact 931 public housing residents and 468 Section 8/HCV participants.

Activity 3: Conversion of 312 Mixed-Financed public housing units to Project Based Section 8.

MPHA intends to utilize MTW authority and the voluntary conversion or disposition process to convert 312 mixed-finance public housing units of which MPHA neither owns nor manages, to secure 312 new Section 8 Housing Choice Vouchers and then project base these units in the

same mixed-finance development. While MPHA would follow standard program rules for voluntary conversion or disposition, MTW authority may be used to project-base the affected units without the competitive process otherwise required. For the 200 Heritage Park units, MPHA will also waive the current requirements limiting project based units to a certain percentage of the development. MPHA has retained a consultant and secure the required HUD appraisal of the properties in question and has retained counsel to assist with the Voluntary Conversion process. MPHA plans to submit the Voluntary Conversion request to HUD in early 2011.

Activity 4: MPHA Rent-to-Own Initiative (Sumner Field Townhomes)

MPHA utilized funds from its ARRA Formula Grant, to purchase 20 townhome development units and intends 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.

MPHA will invite presumptively eligible families from its public housing and Section 8 programs as well as MPHA and City of Minneapolis employees to complete a preliminary application for the Rent-To-Own Program. Families will be scored on criteria developed to determine likely success in purchasing one of the units. The highest scored families will be offered units under the Rent-To-Own program. Families will be required to sign a public housing lease with a rent-to-own addendum including participation in a self-sufficiency program and a homeownership counseling program. Families will establish goals which demonstrate progress in moving toward successful homeownership.

MPHA will prohibit staff directly involved in the operation of this program from participating as participants. All MPHA and City staff must be HUD eligible as public housing residents to participate in this initiative.

Activity 5: Foreclosure Stabilization Project Based Voucher Demonstration Program:

MPHA will continue its demonstration program partnership with Project for Pride In Living (PPL) who received a Neighborhood Stabilization Program (NSP) grant from the City of Minneapolis to purchase and rehab foreclosed rental properties in designated 'at risk' neighborhoods throughout the City and offer the units for rent to very low income families. This project would allocate up to 21 Housing Choice Vouchers to be project based at the selected

properties in an effort to stabilize those properties and contribute to the well-being of the surrounding neighborhood.

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 who 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.

Section VII: Sources and Uses of Funding

■ Fiscal Year 2011 MTW Budget

MPHA continues to use its Block Grant and Fungible use of Resources authority under MTW to develop and implement its budget and financial strategies for use of its resources. MPHA is committed to the long-term preservation of public housing. Over the last several years, HUD has not provided the adequate resources needed to fund public housing operations and capital improvements. Although the Congress funded the public housing operating subsidy at 100% of the formula amount in 2010, significant changes in how rental income offsets the subsidy amount resulted in less overall funding for public housing operations. MPHA's 2011 funding for operations, including funds dedicated to operations from the City of Minneapolis, provides for a \$38 million budget. This budget is slightly less than the 2010 Budget but within available operating resources.

Despite increased funding from the American Recovery and Reinvestment Act and the proceeds of a \$28 million municipal capital lease to fund energy improvements, MPHA still has a large backlog of capital improvement needs in its public housing real estate. The proposed capital budget is \$18.3 million and would utilize \$4.6 million of MTW reserves. The MTW reserves earmarked for public housing capital improvement spending were derived from the Housing Choice Voucher (HCV) Program.

Under MTW, MPHA has greater flexibility in the use of HUD funding than what has previously existed and this budget proposes to use Housing Choice Voucher (HCV) Program reserves to make needed capital improvements within the public housing stock. In complete contrast to the under-funding of public housing, over the last few years, HUD has provided over \$9 million more in Housing Choice Voucher funding than what MPHA was able to utilize. The use of these reserves to fund public housing deficits not only helps MPHA maintain operating standards but also helps with the long-term preservation of public housing by dedicating more funding to capital improvements than what has been available in previous years.

The 2011 Budget also proposes to fund the Housing Choice Voucher Program at a level expected to cover 4,716 vouchers per month. The demand for affordable housing is significant in Minneapolis; MPHA has over 13,000 families on the HCV Waitlist. This level of funding will allow MPHA to increase the number of vouchers under lease by 131 vouchers over the level served in June 2010. In addition, this budget proposes to fund HCV administration at \$3.7 million which will result in a use of \$309,000 in MTW Reserves.

MPHA is also proposing to continue funding homeownership activities and the completion of the conversion of 312 privately-owned public housing units to Section 8 vouchers. The budget includes \$355,000 for these activities which are proposed to be funded from MTW Reserves.

The 2011 MTW Budget proposes to fund \$466,000 less in operating expenses than 2010; a 1% decrease. Capital improvements is funded at \$2.3 million more than 2010; a 14.5% increase, continuing MPHA's commitment to preserving the public housing stock. MPHA is funding Housing Choice vouchers at \$41 million; \$863,000 more than in 2010.

MPHA is not using a cost allocation or fee for service methodology that differs from the 1937 Act requirements.

Fiscal Year 2010 Non-MTW Budget

Also presented is the funding that MPHA plans on utilizing in 2011 that is outside of the MTW Agreement. MPHA was awarded three American Recovery and Reinvestment Act grants in 2009. Two grants totaling close to \$20 million will be combined with another \$3.4 million in New Market Tax Credit Equity to construct a Community Center which will be adjacent to a 48-unit public housing facility that is designated for those with memory care needs. The other \$11 million grant is being used for energy-related improvements throughout MPHA's 733 public housing single family homes. It is expected that the majority of the spending on these grants will occur in 2011.

The other primary activities funded by Non-MTW funds in 2010 include the Section 8 Moderate Rehabilitation Program shown under the Section 8 column of the Non-MTW Sources and Uses table and the MPHA's Central Office Cost Center. These programs are funded at levels consistent with 2010.

**Minneapolis Public Housing Authority
Moving To Work
2011 Proposed Sources & Uses**

SOURCES	Public Housing	COCC	HCV ¹	Other ²	Total MTW
DWELLING RENT	\$ 14,400,000	\$ -	\$ -	\$ -	\$14,400,000
INVESTMENT INCOME	\$ 225,000	\$ -	\$ 15,000	\$ -	\$240,000
OTHER INCOME	\$ 650,000	\$ -	\$ 175,000	\$ -	\$825,000
HUD OPERATING SUBSIDY	\$ 21,385,000	\$ -	\$ -	\$ -	\$21,385,000
HUD HAP SUBSIDY	\$ -	\$ -	\$42,131,000	\$ -	\$42,131,000
HUD CAPITAL/RHF FUNDS	\$ 14,577,042	\$ 501,500	\$ -	\$ -	\$15,078,542
HUD HCV ADM. FEE	\$ -	\$ -	\$ 2,182,000	\$ -	\$2,182,000
TOTAL MTW SOURCES	\$ 51,237,042	\$ 501,500	\$ 44,503,000	\$ -	\$ 96,241,542

USES	Public Housing	COCC	HCV ¹	Other ²	Total MTW
ADMINISTRATIVE EXPENSES	\$ 6,800,000	\$ -	\$ 2,500,000	\$354,840	\$9,654,840
TENANT SERVICES	\$ 750,000	\$ -	\$ -	\$0	\$750,000
UTILITIES	\$ 6,300,000	\$ -	\$ -	\$ -	\$6,300,000
MAINTENANCE	\$ 11,470,000	\$ -	\$ -	\$ -	\$11,470,000
PROTECTIVE SERVICES	\$ 1,300,000	\$ -	\$ -	\$ -	\$1,300,000
GENERAL EXPENSES	\$ 4,790,000	\$ -	\$ 165,000	\$ -	\$4,955,000
MANAGEMENT FEES	\$ 6,520,000	\$ -	\$ 1,117,890	\$ -	\$7,637,890
NONROUTINE COSTS	\$ 150,000	\$ -	\$ -	\$ -	\$150,000
TOTAL OPERATING EXPENSES	\$ 38,080,000	\$ -	\$ 3,782,890	\$ 354,840	\$42,217,530
HOUSING ASSISTANCE PAYMENTS	\$ -	\$ -	\$41,029,284	\$ -	\$41,029,284
CAPITAL IMPROVEMENTS	\$ 16,503,960	\$ 501,500	\$ -	\$ -	\$17,005,460
PUBLIC HSG DEVELOPMENT	\$ 1,328,542	\$ -	\$ -	\$ -	\$1,328,542
TOTAL CAPITAL	\$ 17,832,502	\$ 501,500	\$ -	\$ -	\$18,334,002
TOTAL MTW USES	\$ 55,912,502	\$ 501,500	\$ 44,811,974	\$ 354,840	\$101,580,816
MTW NET SOURCES (USES)	\$ (4,675,460)	\$ -	\$ (308,974)	\$ (354,840)	\$ (5,339,274)

Est. Beg. Balance MTW Reserves	\$ 37,420,755 ³
Increase (Decrease) of Reserves	\$ (5,339,274)
End Balance MTW Reserves	\$ 32,081,481 ⁴

¹ Housing Choice Vouchers

² Includes MTW Initiatives (MHOP Conversion, Homeownership Programs)

³ \$16.1 million in CFP LOCCS (held by HUD)

⁴ Approximately \$5 million is reserved to meet USB Liquidity requirements for NMTC transaction

**Minneapolis Public Housing Authority
Non - Moving To Work
2011 Proposed Sources & Uses**

SOURCES	Public Housing	State/Local	COCC	Section 8	Other	Total Non-MTW
INVESTMENT INCOME	\$ -	\$ -	\$ 45,000	\$ 15,000	\$ 10,000	\$ 70,000
ARRA COMPETITIVE GRANTS	\$ 18,994,893	\$ -	\$ -	\$ -	\$ -	\$ 18,994,893
CITY/STATE FUNDS	\$ -	\$ 1,775,000	\$ -	\$ -	\$ -	\$ 1,775,000
FEDERAL SUBSIDY & GRANTS	\$ 297,000	\$ -	\$ -	\$ 2,118,500	\$ -	\$ 2,415,500
MGMT FEES	\$ -	\$ -	\$ 8,037,690	\$ -	\$ -	\$ 8,037,690
INSURANCE PREMIUMS	\$ -	\$ -	\$ -	\$ -	\$ 275,000	\$ 275,000
NEW MARKET TAX CREDIT EQUITY	\$ 3,472,366	\$ -	\$ -	\$ -	\$ -	\$ 3,472,366
TOTAL NON-MTW SOURCES	\$ 22,764,259	\$ 1,775,000	\$ 8,082,690	\$ 2,133,500	\$ 285,000	\$ 35,040,449

USES	Public Housing	State/Local	COCC	Section 8	Other	Total Non-MTW
ADMINISTRATIVE EXPENSES	\$ -	\$ -	\$ 7,367,690	\$ 245,000	\$ 25,000	\$ 7,637,690
TENANT SERVICES	\$ 78,000	\$ -	\$ -	\$ -	\$ -	\$ 78,000
UTILITIES	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ 200,000
MAINTENANCE	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ 250,000
PROTECTIVE SERVICES	\$ -	\$ 1,400,000	\$ 45,000	\$ -	\$ -	\$ 1,445,000
GENERAL EXPENSES	\$ -	\$ -	\$ 70,000	\$ -	\$ 150,000	\$ 220,000
MANAGEMENT FEES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NONROUTINE COSTS	\$ 219,000	\$ -	\$ 150,000	\$ -	\$ -	\$ 369,000
TOTAL OPERATING EXPENSES	\$ 297,000	\$ 1,400,000	\$ 8,082,690	\$ 245,000	\$ 175,000	\$ 10,199,690
HOUSING ASSISTANCE PAYMENTS	\$ -	\$ -	\$ -	\$ 2,501,700	\$ -	\$ 2,501,700
CAPITAL IMPROVEMENTS	\$ 5,825,000	\$ -	\$ 322,953	\$ -	\$ -	\$ 6,147,953
PUBLIC HSG DEVELOPMENT	\$ 16,642,259	\$ 375,000	\$ 872,234	\$ -	\$ -	\$ 17,889,493
TOTAL CAPITAL	\$ 22,467,259	\$ 375,000	\$ 1,195,187	\$ -	\$ -	\$ 24,037,446
TOTAL NON-MTW USES	\$ 22,764,259	\$ 1,775,000	\$ 9,277,877	\$ 2,746,700	\$ 175,000	\$ 36,738,836
NON-MTW NET SOURCES (USES)	\$ -	\$ -	\$ (1,195,187)	\$ (613,200)	\$ 110,000	\$ (1,698,387)

Est. Beg. Balance Non-MTW Reserves	\$ 10,779,584
Increase (Decrease) of Reserves	\$ (1,698,387)
End Balance Non-MTW Reserves	\$ 9,081,197

Minneapolis Public Housing Authority
Consolidated MPHA
2011 Proposed Sources & Uses

SOURCES	MTW	Non-MTW	Elimination	PHA
DWELLING RENT	\$ 14,400,000	\$ -	\$ -	\$ 14,400,000
INVESTMENT INCOME	\$ 240,000	\$ 70,000	\$ -	\$ 310,000
ARRA COMPETITIVE GRANTS	\$ -	\$ 18,994,893	\$ -	\$ 18,994,893
CITY/STATE FUNDS	\$ -	\$ 1,775,000	\$ -	\$ 1,775,000
HUD SUBSIDY & GRANTS	\$ 80,776,542	\$ 2,415,500	\$ -	\$ 83,192,042
MGMT FEES	\$ -	\$ 8,037,690	\$ (8,037,690)	\$ -
INSURANCE PREMIUMS	\$ -	\$ 275,000	\$ (275,000)	\$ -
OTHER INCOME	\$ 825,000	\$ 3,472,366	\$ -	\$ 4,297,366
TOTAL SOURCES	\$ 96,241,542	\$ 35,040,449	\$ (8,312,690)	\$ 122,969,301

USES	MTW	Non-MTW	Elimination	PHA
ADMINISTRATIVE EXPENSES	\$ 9,654,840	\$ 7,637,690	\$ -	\$ 17,292,530
TENANT SERVICES	\$ 750,000	\$ 78,000	\$ -	\$ 828,000
UTILITIES	\$ 6,300,000	\$ 200,000	\$ -	\$ 6,500,000
MAINTENANCE	\$ 11,470,000	\$ 250,000	\$ -	\$ 11,720,000
PROTECTIVE SERVICES	\$ 1,300,000	\$ 1,445,000	\$ -	\$ 2,745,000
GENERAL EXPENSES	\$ 4,955,000	\$ 220,000	\$ (275,000)	\$ 4,900,000
MANAGEMENT FEES	\$ 7,637,690	\$ -	\$ (7,637,690)	\$ -
NONROUTINE COSTS	\$ 150,000	\$ 369,000	\$ -	\$ 519,000
TOTAL OPERATING EXPENSES	\$ 42,217,530	\$ 10,199,690	\$ (7,912,690)	\$ 44,504,530
HOUSING ASSISTANCE PAYMENTS	\$ 41,029,284	\$ 2,501,700	\$ -	\$ 43,530,984
CAPITAL IMPROVEMENTS	\$ 17,005,460	\$ 6,147,953	\$ -	\$ 23,153,413
PUBLIC HSG DEVELOPMENT	\$ 1,328,542	\$ 17,889,493	\$ (400,000)	\$ 18,818,035
TOTAL CAPITAL	\$ 18,334,002	\$ 24,037,446	\$ (400,000)	\$ 41,971,448
TOTAL USES	\$ 101,580,816	\$ 36,738,836	\$ (8,312,690)	\$ 130,006,962
NET SOURCES (USES)	\$ (5,339,274)	\$ (1,698,387)	\$ -	\$ (7,037,661)

Est. Beg. Balance PHA Reserves	\$ 48,200,339
Increase (Decrease) of Reserves	\$ (7,037,661)
End Balance PHA Reserves	\$ 41,162,678

Section VIII: Administrative

▶ MPHA Public Process

MPHA is proud of its resident involvement and uses extraordinary efforts to solicit input in the development of its Moving To Work (MTW) Plan. The MPHA Board of Commissioners appointed the MTW Resident Advisory Board (RAB) February 2010. The RAB consists of resident representatives from MPHA public housing highrises, scattered site units and its family development as well as participants from MPHA's Section 8 Housing Choice Voucher program. The RAB meets on a regular basis working with Agency staff to consider proposals for the Draft MTW Plan. This year's RAB also reviewed changes to MPHA's Criminal Screening Guidelines, Public Housing Lease, Hearing Rules, Statement of Policies (ACOP) and Section 8 HCV Administrative Plan.

In addition, MPHA and the MTW RAB representatives participate in MTW Plan information gathering with highrise residents, family and scattered site residents, Section 8 HCV participants and their respective councils and organizations as well as meetings with community constituencies. Information gathered from these meetings along with needs and issues identified by staff are utilized in developing the draft plan. The MPHA Board of Commissioners conducted a public hearing on August 25, 2010 as part of the MTW Plan Review process.

MPHA published its Draft MTW Plan along with proposed changes to its ACOP (Statement of Policies), Highrise and Family Leases and Section 8 Administrative Plan on July 27, 2010 and accepted comments through September 3, 2010.

The Final MTW Plan lists the recommendations by the MTW RAB, comments from attendees at the public hearing, as well as comments from various resident organizations, key constituencies and individual residents and includes MPHA's responses and changes included in the Final MTW Plan.

MPHA is not utilizing any external evaluators for its overall MTW Demonstration.

The Final MTW Plan was approved by the MPHA Board of Commissioners on September 22, 2010.



CODE OF ETHICS AND STANDARDS OF CONDUCT

ARTICLE I. PURPOSE

The Minneapolis Public Housing Authority (the **Authority**) has established this Code of Ethics and Standards of Conduct for its employees and members of its Board of Commissioners to make employees, commissioners, and members of the public aware of certain ethical requirements related to the conduct of business at the Authority.

ARTICLE II. AUTHORITY POLICIES

As applicable, commissioners and employees of the Authority shall be familiar with and shall comply with the Authority's published Policies regarding conflicts of interest – particularly those as set forth in the *Statement of Procurement Policy* and *Work Rules*, in the performance of their assigned duties.

ARTICLE III. STATE LAW

As applicable, commissioners and employees of the Authority shall be familiar with and shall comply with the provisions of Minn. Stat. §§10A.07 (*Conflicts of Interest*), 469.009 (*Conflict of Interest; Penalties for Failure to Disclose*), and 471.87 (*Public Officers, Interest in Contract; Penalty*). Specifically, a commissioner or employee of the Authority who, in the discharge of their duties, would be required to take an action or make a decision that would substantially affect the person's financial interests or those of an associated business, unless the effect on the person is not greater than on other members of the person's business classification, profession, or occupation, must take the following actions:

- a) prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict of interest; and
- b) deliver a copy of the statement, if an employee, to the Authority's Executive Director, if Executive Director to the Board Chair or the Executive Committee of the Board, or, if a commissioner, to the Authority's Board Chair or the Mayor of the City of Minneapolis.

If a potential conflict of interest exists and there is insufficient time to comply with the written disclosure provisions stated above, the person shall orally deliver the statement. The disclosure shall be

entered upon the minutes at the next meeting of the Authority's Board of Commissioners and the person shall refrain from and recuse him or herself from any action or decision involving the matter.

ARTICLE IV. ANNUAL CONTRIBUTIONS CONTRACT WITH HUD

Section 19 of the Annual Contributions Contract (the "ACC") with the U.S. Department of Housing and Urban Development (HUD) provides, in relevant part, as follows:

- (A) (1) In addition to any other applicable conflict of interest requirements, neither the Authority nor any of its contractors or their subcontractors may enter into any contract, subcontract, or arrangement in connection with a project under this ACC in which any of the following classes of people has an interest, direct or indirect, during his or her tenure or for one year thereafter:
- (i) Any present or former member or officer of the governing body of the Authority or any member of the officer's immediate family. There shall be excepted from this prohibition any present or former tenant commissioner who does not serve on the governing body of a resident corporation, and who otherwise does not occupy a policymaking position with the resident corporation, the Authority or a business entity.
 - (ii) Any employee of the Authority who formulates policy or who influences decisions with respect to the project(s), or any member of the employee's immediate family, or the partner.
 - (iii) Any public official, member of the local governing body, or State or local legislator, or any member of such individuals' immediate family, who exercises functions or responsibilities with respect to the project(s) or the Authority.
- (2) Any member of these classes of persons must disclose the member's interest or prospective interest to the Authority and HUD.
- (3) The requirements of the subsection (A) (1) may be waived by HUD for good cause, if permitted under State and local law. No person for whom a waiver is requested may exercise responsibilities or functions with respect to the contract to which the waiver pertains.
- (4) Nothing in this section shall prohibit a tenant of the Authority from serving on the governing body of the Authority.
- (B) (1) The Authority may not hire an employee in connection with a project under this ACC if the prospective employee is an immediate family member of any person belonging to one of the following classes:
- (i) Any present or former member or officer of the governing body of the Authority. There shall be excepted from this prohibition any former tenant commissioner who

does not serve on the governing body of a resident corporation, and who otherwise does not occupy a policymaking position with the Authority.

(ii) Any employee of the Authority who formulates policy or who influences decision with respect to the project(s).

(iii) Any public official, member of the local governing body, or State or local legislator, who exercises functions or responsibilities with respect to the project(s) or the Authority.

(2) The prohibition referred to in subsection (B)(1) shall remain in effect throughout the class member's tenure and for one year thereafter.

(3) The class member shall disclose to the Authority and HUD the member's familial relationship to the prospective employee.

(4) The requirements of this subsection (B) may be waived by the Authority Board of Commissioners for good cause provided that such waiver is permitted by State and local law.

(C) For purposes of this section, the term "immediate family member" includes the affected person's spouse, mother, father, brother, sister, or child of a covered class member (whether related as a full blood relative, or as "half" or "step" relative, e.g., a half-brother or stepchild), and registered *domestic partner* within the meaning of Minneapolis *Code of Ordinances*, Chapter 142.

ARTICLE V. FEDERAL PROCUREMENT REGULATIONS

When utilizing grants or other funds from the U.S. Department of Housing and Urban Development (HUD) for the procurement of goods or services from third parties, the Authority shall ensure that the following principles are observed:

No employee, officer or agent of the Authority or sub-grantee of the Authority shall participate in the selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when: (A) the employee, officer or agent of the Authority, (B) any member of his or her immediate family, (C) his or her partner, or (D) an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.

The Authority and the Authority's sub-grantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to sub-agreements. The Authority and its sub-grantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the Authority's or

Sub-grantee's, employees or agents, or by contractors or their agents. HUD or other federal government awarding agencies may, by regulations, provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

ARTICLE VI. GIFTS

No employee or commissioner of the Authority shall directly or indirectly solicit any gift or accept or receive any gift having a value of \$50.00 or more, whether in the form of money, services, loan, travel, entertainment, hospitality, thing or promise, or any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence him or her, or could reasonably be expected to influence him or her, in the performance of his or her official duties, or was intended as a reward for any official action on his or her part.

ARTICLE VII. PARTICIPATION IN AUTHORITY PROGRAMS

A commissioner or employee who is qualified and eligible may participate in a program administered by the Authority provided the participating person is not involved in the selection process or the administration of the program and the person meets all requirements for admission and continued participation in the program. Such programs include, but are not limited to, low income public housing, Housing Choice Voucher / Section 8 Programs, homeownership programs, and others.



FY2011 Moving To Work Plan and Supporting Documents

Comments & Responses

I. Statement of Policies (ACOP)

- **60 Day Absence/30 Day Written Notice**

1. We (5 residents) are the representatives of residents here before your good self to apprise you the ground realities of the hardships which are faced to solve some problems in the countries we hail from. We would like to address two issues, the reduction of absence period from 90 days to 60 days and the 30-day notice if absent longer than 30 days.

As regard, the necessity of more period if need be like 90 days as earlier for many years and further extension on request. This further request would be in writing if the need were for that. You may charge more rent during period over 90 days to six months.

The increase of rent may be up to Standard Rent for balance of three to six months.

No one would willingly like to bear extra rent burden but, at least, by paying some extra money resident would be saved from uprooting.

Such a situation would arise only one in fifty cases, i.e., only 2%.

All such decisions would bring confidence in the minds of immigrant residents especially that our management has a sympathetic attitude.

Regarding the 30-day notice issue, we would like to bring to your kind notice that people ourselves don't know when to go. Sometimes our intimation is one week and sometimes even one day. How can we wait for 30-day notice?

MPHA Response: MPHA listened to residents and will allow absence of 90 calendar days.

MPHA Response: MPHA will require advance written notice of an absence of more than 30 days. Removing the requirement for at least a 30-day advance notice.

2. Cedars MHRC / Resident Council Officers Meeting - MPHA Space Use Policy and Absence from Unit Lease Change

On August 23, 2010, MPHA Executive Director Cora McCorvey met with over 42 residents of the Cedars Highrises to listen to resident concerns regarding the MPHA Space Use Policy and changes to the MPHA Lease that detail the absent from unit policy that was adopted by the MPHA Board in 2009.

MPHA Resident shared a number of stories regarding the potential impact of the policy.

Excerpts of resident statements:

- 60 days is not enough. We have come to this country because of civil war in our homeland. We don't have a choice in where our families end up. We have trouble locating our families. We do not go home for a vacation; we go to find our families and try to reunite with them for a while. For many of us, it is the only time we can visit for years (Over 10 years since this resident saw his family)
- When I went home, I was unable to see all my family. They were scattered across the country. It was very costly, \$2700 for airlines. Some of us go stranded for as much as two weeks before we were able to go to our destination. The travel in my country is not the kind of travel you experience when you ordinarily travel.
- I have lived in America for 15 years. I am a mother and a grandmother. Since I left, 10 of my brother's children have become orphans. It was a challenge to see them. They are not in one spot. They are in different refugee camps. I left to visit in March 2010. It took 12 days travel just to get to where I was going. Three months, would still not be enough time but it at least gives me a chance. It took me 15 years to raise the money to go and because of the costs of delays, I came back more in debt than when I left.
- I want to make two points. Because of the time since I last was in Somali, 10 years, my children did not recognize me. My grand children felt sad, keep asking, 'when can we see you.' I had to get help from residents back

here to make it home. The travel difficulties, resulted in my ticket expiring. Flights to and from my country are very unstable. I hope this experience helps MPHA to have some sensitivity to the unique challenges we face when we go home.

- I moved to Minneapolis in 1993. I was unable to go back to Somali the first time. When I did go, I had to travel first to Dubai, then to Jaboti and then to Somali. We were delayed at airport. Some people got ill, there was no food, and we had to travel back and forth from airport to city. This was very costly. We made official complaint to the Airport but it solved nothing.

We finally found a flight, but had to leave our luggage behind. It arrived later. We had to go to another city to get our luggage. One month and one day later. This experience was when we had 90 days. If it had been the 60-day policy, I would not have made it back in time. Because it was so late to return, I was charged an extra \$500, even though I had tickets. I did not have the money. It took 3 days to resolve the issue, even with the involvement of the US Embassy.

3. Many residents would like to change the number of days they can be absent from their apartment from 60 back to 90 consecutive calendar days.

MPHA Response: MPHA is making this change.

4. Can a resident get permission from management to be gone longer than 90 days?

MPHA Response: MPHA will not grant exceptions from its absence requirement except for a Reasonable Accommodation or its VAWA Policy.

5. There are practical difficulties to provide 30 days advance notice to management when a resident will be gone more than 30 consecutive calendar days. Sometimes residents have to go on an immediate basis due to an emergency. Residents should not have to provide 30-days notice to management.

MPHA Response: See above, MPHA will amend to require advance written notice.

6. This advance notice is a new hurdle being put before mainly immigrants. Already management has changed 90-day absence to 60 days. This 30-day notice is something that is hard to follow because often times people don't go to enjoy themselves, rather it is an emergency due to a relative being sick or dying, etc. and the resident has to leave immediately. Residents should only be required to give a notice.

MPHA Response: MPHA is adjusting this policy.

7. All public housing residents, including within the senior public housing properties, should be permitted only one month, 30 consecutive days, to leave their apartment unit in order to visit other relatives and friends anywhere. The only exception to this would be if a resident suffers an unexpected accident, or a medical illness which would cause hospitalization within a valid medical facility for over 30-90 days.

MPHA Response: MPHA believes that its 90-day absence policy better serves the interests of its residents and does not intend to reduce it to 30 days.

8. Resident thinks that the 30-day written notice of absence from unit be cut to 15 days or give as much notice as possible.

MPHA Response: See above, MPHA will require advanced written notice without a timeframe.

9. p. 58, Part IX, 1. " Tenant shall give MPHA ~~at least~~ a 30-day ~~advance written~~ notice ~~when the Head of Household may be absent from the unit for more than 30 consecutive calendar days~~ of an absence of 30 or more days."

This would imply that the tenant has to give EXACTLY 30 days notice — not 31, not 29, etc. This would be hard to execute in some cases, and is not particularly desirable. Should it not read, "Tenant shall give MPHA a written notice at least 30 days in advance when the ..." The author of the original revision wishes to treat "30-day-notice" as a compound noun, but inserting the adjectives "advance, written" in the middle makes it ambiguous, and may be confusing to people not highly versed in the abuse of the English language. "giving MPHA a 30 day advance written notice." — "giving MPHA a written notice at least 30 days in advance."

MPHA: Response: Thank you for your comments, MPHA has completely changed this policy.

▪ **Community Space Use Policy**

1. Many residents have very small units and it is not reasonable to restrict use of the community space. Residents should be able to use the space 24/7.

MPHA Response: MPHA has agreed that its policy regarding this matter should be determined building by building in consultation with the Resident Council, however, MPHA is ultimately responsible for the community space and shall have final determination over the use of Community Space.

2. Some residents need to use the community space at night because it is not available during the day.

MPHA Response: MPHA has agreed that its policy regarding this matter should be determined building by building in consultation with the Resident Council; however, MPHA is ultimately responsible for the community space and shall have final determination over the use of Community Space.

3. Who should a resident contact to schedule use of the community room?

MPHA Response: Residents who wish to schedule use of community space should contact the property manager.

4. Isn't the use of the common area of the building part of what residents pay for in their rent payment? The residents' lease entitles residents to use community space any time.

MPHA Response: No, this is not accurate. The lease pertains to the resident's apartment. The Community Room and other common spaces are amenities that are governed by the Space Use and other MPHA policies.

5. During "heat wave" who will determine if the community space is open? How will it be posted or communicated?

MPHA Response: MPHA makes the determination based upon the definition in the Policy. MPHA staff will post or otherwise communicate this to residents.

6. Tenant should be considered a tenant at any building while in the community spaces.

MPHA Response: A tenant is a tenant only at his or her building, but not at another building. Tenants from one building do not have the same rights or access to other buildings, community space or amenities.

7. Resident is concerned about the community room hours. The community room closed at 10:00. We have elderly who come downstairs and are hungry. Since the door was locked, they can't get food from the vending machines. The Community Room should be our living room. When it is locked after 10:00, it feels like we are not allowed in our home.

MPHA Response: See above answer. If this is a concern, the Resident Council can vote to move the vending machine.

8. Please don't give up. Please close down the public areas at night. The only people using them (including the plaza) are the drunks and assorted troublemakers; it's really a small group. There should also be more control over people with unclean or infested apartments and the drug users and sellers.

MPHA Response: See response to item #2 above.

9. Why is there a requirement for a Signed User of the community room to provide \$1.5 million dollars of liability insurance?

MPHA Response: MPHA is self-insured and may require users of the community room to provide Liability Insurance to minimize MPHA's exposure.

10. The community room should be locked at 10:00 p.m. and opened around 7:00 – 8:00 a.m. or determined by the Resident Council.

MPHA Response: See response to item #2 above.

11. p. 113, 3, D — "D. **Damage Deposit: \$300.00.**" This is not, as Section 3 says, a *definition*, but a specification of an amount. Since it is specified on p. 115, section 8, there is nothing to either define or specify. Therefore, section D can be eliminated.

MPHA Response: MPHA will remove this definition.

12. p. 114, section 5 is duplicated in section 7 B.

MPHA Response: In order to add clarity and make understandable MPHA's intent, duplication in different places in our Policies is desirable and intentional.

13. p. 115, section C — "**Resident Initiatives Department.**" What is this? Is it defined somewhere? As a resident, I would like to know what this is.

MPHA Response: MPHA'S Resident Initiatives Department provides individuals and families with access to a wide variety of essential human and community services that contribute to a better quality of life. The department fosters relationships with resident councils, while establishing partnerships with service providers and community organizations. This department is also responsible for administration of the public housing Family Self Sufficiency Program and for seeking and administering a number of vital Federal grants that fund services and programs for residents throughout the city's Metropolitan Area.

For more information regarding resident services and programs, please visit MPHA's website at www.mphaonline.org or call the Evelyn LaRue, Director of Resident Initiatives at 612/344-2208.

14. p. 116, D, 2 — "**timely respond**" — this doesn't sound idiomatic to me. More natural: "respond in a timely manner ..."

MPHA Response: Thank you for your comment.

15. p. 117, D, 5 — "**MPHA Community Equipment may not be removed from the Community Room.**" Wouldn't it be better to add, "without the consent of management"? There may be occasions in which it is useful to remove tables or other items of furniture for an activity requiring a different utilization of space. As presently phrased, all flexibility and options are lost to both management and users.

MPHA Response: Thank you for your comment. MPHA has clarified this language by adding "except by MPHA".

16. p. 117, D, 7 — "The Community Room and Community Equipment may be reserved for reasonable and appropriate activities which may include religious, worship and resident sponsored memorial services." The word "religious" is an adjective — where's the noun? Is it supposed to be "worship"? If so, you need to delete the comma. Otherwise, "religious activities" might do, although it involves using "activities" twice in a short space. Perhaps, "The Community Room and Community Equipment may be reserved for reasonable and appropriate activities. These may include resident sponsored memorial services, worship, and other religious activities."

MPHA Response: MPHA believes the words were appropriately used as adjectives; however, MPHA will revise the policy to state that all activities must be resident sponsored. Thank you for your comment.

17. p. 117, D, 8 — "The Signed User must also ensure that no doors are propped open and no other security breaches occur." This would imply that propping the doors of the Community Room open is a security breach. It should be sufficient to say, "The Signed User must also ensure that no security breaches occur." Signs are posted saying not to prop open the entry doors.

MPHA Response: Thank you for the suggestion. The reference to the doors is not inconsistent with our policy.

18. p. 117, D, 9 — "The Signed User of a Community Room or Community Equipment must confine their activity to the area(s) reserved." "Signed User" is everywhere else treated as a singular noun, but here "signed" is treated as an adjective — "The ... user of a Community Room or Community Equipment must ..." "Signed User" is singular, but the pronoun "their", which is plural, is used to refer to him/her. "Signed Users must confine their Community Room activities, and the use of Community Equipment, to the area(s) reserved."

MPHA Response: Thank you for your comment.

19. same, 12 — "12) The Signed User of a Community Room shall ensure compliance with this Policy." Since "policy" is in the singular, it looks as if it applies to section 11. However, if I am not mistaken, you mean all the policies outline in section D, in which case, it would make more sense to place this at the end of the list and use the plural.

MPHA Response: Thank you for your comment.

20. p. 118, A — "A. Two weeks in advance of the scheduled event" Two weeks exactly, or *at least* two weeks?

MPHA Response: Thank you for the clarification, we will add 'at least two weeks'.

21. The community room needs to be closed at 10:00 p.m. Residents must dress appropriately and have no more than one respectable guest in the community room. At 10:00 p.m., the resident must see their guest leave the building.

MPHA Response: Thank you for your comment. These comments are addressed in the Community Space Use Policy.

22. Common areas including the community room do not belong to any particular resident or their guest(s). If any resident wants exclusive private time with their guest(s), they need to go to their apartment, but if they expect to be loud, such resident(s) must make the choice to leave the public housing building altogether. No area within the public housing environment is erected to accommodate excessive loud music, nor harassing noises from fellow resident or from their guest(s).

MPHA Response: Thank you for the comment. These issues are addressed in the Community Space Use Policy and the Lease.

■ Other Resident Comments

1. What recourse does a resident have if MPHA owes the resident money?

MPHA Response: The resident should contact the property manager and make MPHA aware of what s/he believes is owed. If the resident and MPHA cannot agree on this issue, the resident may utilize the grievance procedure.

2. Resident paid a \$75.00 pet deposit and then pet died. Resident was reimbursed with rent credit and would have rather received money to purchase a new pet.

MPHA Response: MPHA credits the resident's account. If a resident has a credit balance, the resident may contact their property manager to be reimbursed.

3. A resident has four Cadillacs parked in front of my building. The resident does not drive. What can be done?

MPHA Response: The resident should register a complaint with the City. MPHA does not have jurisdiction over the streets.

4. (1815 Central) What can resident do about other resident with arrest warrants and drugs and are committing violence? How can resident help management get these people evicted?

MPHA Response: The resident should inform the property manager if s/he is aware of any lease violations by another tenant. If the tenant is frightened but believes another tenant or person in the building is engage in criminal activity, that resident can call 911 or the Crime Tip Line at 612-342-1587.

5. If a resident would like to transfer to a different building or unit due to health reasons, are there charges to transfer?

MPHA Response: It appears from the description you have provided, the tenant may be eligible for a Reasonable Accommodation and in this circumstance, there is no transfer charge.

6. If a resident gets married, can spouse live with the resident?

MPHA Response: In order to be added to the Lease, the spouse must be screened.

7. Can a resident bring their son or daughter to live with them?

MPHA Response: If the addition of the child does not cause the tenant to be over the occupancy standards and the child is a dependent, the child may move in. If the child is an adult, then the child must also go through the MPHA screening process.

8. If a resident has a PCA worker, can they live with you? Will the resident's rent go up?

MPHA Response: If the resident requires a live-in aide, a qualified live-in aide who meets the resident screening guidelines may live with a resident. In this case, the resident's rent will not go up. A PCA is not a live-in aide and may not live with the resident.

9. What happens to a resident if they have been regular in rent payments, but due to financial difficulties cannot pay their present rent?

MPHA Response: A resident must pay their rent according to the Statement of Policies.

10. What is the definition of a senior concerning being exempt from re-certification for three years?

MPHA Response: The recertification exemption is determined by the type of income, not by age, meaning if the resident is on a fixed income the resident may be eligible for the recertification every third year. While many seniors are eligible for this exemption, a senior who is not on a fixed income, may be required to be recertified annually.

What is the need to state that a tenant is only a tenant in their building of residence? If he/she has been approved, he/she should be the same at all buildings.

MPHA Response: A tenant is a tenant only at his or her building, but not at another building. Tenants from one building do not have the same rights or access to other buildings, community space or amenities.

A tenant has certain privileges at his or her building, for example, key tag access to the building, use of community space and equipment, laundry facilities etc. this same tenant cannot avail himself or herself to these same privileges at other buildings. MPHA believes it is important to make very clear that a tenant is only a tenant in his or her own building and when going to other buildings, the tenant will be treated like other guests and is expected to abide by the same requirements for guests.

11. I realize that asking for tenant input is a sham, but some items proposed are inherently problematic and therefore worth further review.

MPHA Response: MPHA has made numerous changes and adaptations to various policies over years in response to resident feedback and input. We are proud of our partnership with residents. It is unfortunate that you feel this is not the case.

12. p. 39, F-5: "5. provide a valid **State issued** picture ID that includes the date of birth, or another acceptable picture ID with a birth certificate when the lease add on is 18 years or older."

What constitutes an "acceptable picture ID"? Acceptable to whom? Why "state issued"? What about a federal ID, such as is issued by the V.A.? "State" is ambiguous. Since it is capitalized, it suggests one of the states as opposed to the federal government. Did you mean to restrict it to the state of Minnesota? Or would the state of Iowa or Wisconsin do? If the former, might it not be less ambiguous to say, "... provide a valid picture ID issued by the State of Minnesota that ..."?

MPHA Response: MPHA accepts a valid picture ID from any state as long as it meets the specific requirements of our policy.

13. This document uses the word "timely" in 22 places, but not once is it defined in "Definitions". Unless this is defined in state law somewhere, I should think that it opens you to suits where there are differences of opinion as to what a "timely" response is.

MPHA Response: Thank you for your comment, Timely means an appropriate amount of time depending on the occurrence or occasion.

14. p. 64, 2) — "If the grievance hearing involves the amount of **monthly rent or other charges** which MPHA claims is due, **such an** amount must be **paid or** placed in escrow (**see below**), **with MPHA**, before a hearing will be scheduled. If the complainant does not pay the disputed **rent or charges** in escrow, the grievance procedure shall be terminated."

Using the phrase "an amount" leaves open just how much. If it is a judgment made by someone, this denies equal justice, since such judgments may be arbitrary or capricious. I should think that "the amount in dispute" is what you want. "If the complainant does not pay the disputed in escrow ..." — this is not proper English: "in escrow" is a prepositional phrase with nothing to modify. It should read, "... does not pay the disputed amount held in escrow ..."

MPHA Response: Thank you for your comment, MPHA will correct the language and clarify the amount.

The next section 3) — "**payable in the month before the Tenant's act or Failure to act occurred.**" Is this the XVIIth century? Dear Madam, you are grossly Mistaken and quite an Error to capitalize a non-proper noun in the Middle of a sentence. Since our judges don't wear periwigs, they may not see the charm of using baroque liberties in a contemporary document. This would be more appropriate: "... payable in the month before the Tenant's act, or failure to act, occurred." I suppose that "Tenant" is capitalized in accordance with some legal convention.

MPHA Response: MPHA appreciates your comments Thank you for your proofing and fun comments, MPHA will change Failure to failure.

15. p. 97, F — "**In a** Applications for public housing and Section 8 participation will ask applicants if they are LEP and need free language assistance for MPHA business." This is not a sentence in English: "In applications ... will ask applicants ..." The former subject was "applications"; now there is no subject, in as much as "in applications" is a prepositional phrase and not a noun. "In applications for public housing and Section 8 participation, applicants will be asked if they are LEP and need free language assistance for MPHA business." Or, "**MPHA will provide notice of free Language Assistance as follows:** ... in applications for public housing and Section 8

participation, in which applicants will be asked if they are LEP and need free language assistance for MPHA business;" The same applies to every "sentence" similarly modified in section F. (Don't you guys read your own modifications? Or was this written by someone whose second language is English?)

MPHA Response: Thank you for the comment, MPHA will revise this language.

16. 5 of the same section F — "~~Other occasions as determined by MPHA which may include documents informing persons about how to apply for MPHA programs will determine on what other occasions to give notice that a client may request free language assistance for MPHA business.~~" Should be "MPHA will provide notice of free Language Assistance as follows: ... on other occasions as determined by MPHA, which may include documents informing persons about how to apply for MPHA programs."

MPHA Response: Thank you MPHA will make this change.

17. p. 98, l, "6" — "6. MPHA will make a language identification flashcard available to staff." This should be numbered "5".

MPHA Response: Thank you for this comment. MPHA will correct if needed.

18. All public housing buildings, including Parker Skyview, require armed security guards in order to help keep track of resident traffic, to minimize stalking, loitering around lobby areas, making too much noise and to give account of activities within the public housing environments.

MPHA Response: MPHA has worked with various resident organizations and their respective committees to establish security measures consistent with resident needs and available resources. We have a contract with the Minneapolis Police Department for specific law enforcement support. Residents are entitled to local police services, as are all city residents. MPHA also has security guard services that are both flexible and targeted as needed, an award winning Project Lookout program, security cameras and specifically designed security measures as part of our capital program. MPHA believes these measures coupled with our ability to ratchet up additional police and security services if required, provides a balance of security for residents within the framework of competing demands for our resources.

19. Surveillance cameras (placed completely out of sight) should be a requirement in public housing highrise properties to monitor traffic in the halls, as well as traffic in/out of all apartment units.

MPHA Response: See the response above. MPHA also believe Security Cameras in plain sight act as a deterrent.

20. Resident would like more police intervention to address and arrest resident who continue to cause problems for other residents unnecessarily (i.e., noise harassment, anger issues, stalking habits).

MPHA Response: Resident should contact property manager, or call 911, or the crime tip line at 612-342-1587 to report these situations.

21. Require residents to get rid of clothing, furniture or food products, etc. infested with bed bugs and recommend that residents wash things that they use and wear regularly. It is not fair to charge all residents the cost of treatments for bed bugs.

MPHA Response: MPHA has a very specific policy for bedbugs where necessary in a heavily infested unit MPHA may require a resident discard infested items. MPHA does not charge residents for the cost of treatment. In addition, MPHA does have referrals for residents to get help if the infestation requires resident to have to get rid of furniture, beds or other personal belongings.

22. It is MPHA's responsibility to find a reputable extermination product and contractors who can do the work in eradicating roaches, rats/mice, spiders, ants, etc. in the public housing properties.

MPHA Response: MPHA uses two professional vendors, and is in the process of hiring pest control professionals on staff, to provide pest control services.

23. Resident expressed concerns about same sex couples in public housing properties.

MPHA Response: Both Federal and State law offer protections to same sex couples and MPHA is in compliance with the law.

24. The laundry rooms must remain open at all times to accommodate residents who might not be able to wash during daytime or early evening hours. A security camera should be placed in all laundry rooms.

MPHA Response: The Laundry Project is administered by the Minneapolis Highrise Representative Council (MHRC) in partnership with the individual building resident council. MPHA will forward your comment to MHRC and encourages you to follow up with them and your resident council.

MPHA is in the process of upgrading and adding cameras, there is a prioritized list that may include some laundry rooms.

II. Moving To Work Plan

1. The Code of Ethics and Standards of Conduct requires employees to disclose potential or actual conflicts of interest to the Executive Director and it requires Commissioners to disclose potential or actual conflicts of interest to the Board Chair or the Mayor. To whom must the Executive Director disclose potential or actual conflicts of interest?

MPHA Response: The Executive Director would report any conflicts to the Board, Board chair or the Executive Committee of the Board.

2. Moving To Work is a misnomer. Public housing residents take this title literally and are wondering about resources to help residents move toward work and self-sufficiency. Some residents would like programs to help them get employment. There are no initiatives in the Plan to move people to work.

MPHA Response: In 1996, Congress passed the Moving To Work (MTW) Demonstration and set the parameters of the program. The opportunities under MTW are much broader than the name 'Moving To Work' implies. MPHA has various MTW initiatives as well as other non-MTW programs that support and encourage work, including: the Earn Income Disregard initiative, the Working Family Incentive program where 15% of a working family's earned income is not counted in the calculation of rent and the Family Self Sufficiency programs in both Section 8 and Public Housing. These programs both promote and support work.

3. Millions of dollars are appropriated to MPHA and residents should be able to get jobs as part of this. Contractors make a lot of money off these funds, but do not hire residents. The Apprenticeship Program is not functional anymore and needs to be reinstated.(3)

MPHA Response: As noted above, MPHA has a number of programs that support and reward work. In addition, MPHA has active Section 3 business and employment initiatives as well as agency specific women and minority participation goals. MPHA for the past 3 years was awarded the 'Affiliate of the Year' by the Midwest Chapter of the National Association of Minority Contractors' for its success in promoting participation in MPHA contracting activities.

4. With the MTW ability to allocate money, has consideration been given to reduce rent if tenants can show they have taken classes or are moving towards employment? There may be policies that address your concern, please discuss with your Eligibility Technician.

MPHA Response: There maybe policies that address your concern, please discuss with your Eligibility Technician.

5. How will you let people know about the Project Based Voucher program and how will participants be selected?

MPHA Response: MPHA will integrate the notice and selection process into the Agreement with the successful developer who is awarded the project base vouchers.

III. Capital Fund

1. Contractors are realizing a lot of money with no obligation to recruit or hire public housing residents. Spirit is there, but there is no execution to hire residents.

MPHA Response: Residents have been hired by MPHA/Honeywell for a variety of jobs associated with the ESCO contract and MPHA's other construction projects. MPHA consistently looks for resident employment opportunities when feasible. Further, contractors are required to comply with Section 3 goals during the formal and non-formal bidding process.

2. Is 1710 Plymouth going to get a new parking lot? When?

MPHA Response: Yes, construction starts September 13, 2010 and the project will be complete around November 1, 2010.

3. Resident noticed in the 2011 CFP Plan, 1515 Park is getting elevator modernization. What is being done to the elevator? The fence around the property needs replacing as it is a security risk. When will that be replaced?

MPHA Response: The elevator work at 1515 Park includes replacing all major system components including controls, motors, switches, and cab finishes. With regard to the fence, Facilities and Development staff was just recently made aware of this need, so it is now included in our physical needs assessment.

4. Resident was relocated from 616 Washington due to rehab beginning in June. To date (July 29) the rehab has not begun. When will it begin and how long will it take?

MPHA Response: Though this project was slightly delayed, work is scheduled to start around October 1, 2010 and will continue through September 2011.

5. How is MPHA allocating resources for security in the buildings (HORN resident)?

MPHA Response: MPHA has a \$425,000 budget in CFP 2011 for security upgrades in all highrises and Glendale. The bulk of the improvements are hardware and software upgrades to the digital recording systems, as well as additional surveillance cameras that have been requested by property management staff. MPHA has also applied for a security and safety grant from HUD, which, if awarded, could pay for other security-related concerns in our highrises.

6. (1717 Washington) what is tuck-pointing? Why can't funds be allocated for elevator improvements before tuck-pointing?

MPHA Response: Tuck-pointing is the process of repairing mortar joints in a building's exterior masonry walls, which resolves issues such as water and air infiltration. Property management staff has stated this is a high priority need at 1717 Washington. We will be conducting the comprehensive physical needs analysis in 2011, at which time we will evaluate the elevator at 1717 Washington to determine if elevator modernization is required in the near future.

7. MPHA should put speed bumps in the highrise parking lots.

MPHA Response: MPHA avoids putting speed bumps in parking lots wherever possible as they make plowing snow in the winter difficult. If there are issues with drivers speeding through parking lots at a particular building, please contact your property manager.

8. How can residents request to have their windows washed?

MPHA Response: If your apartment windows need to be washed, please contact your building manager.

9. (314 Hennepin) what will be the extent of the work to do the piping replacement in our building? Will residents need to move out?

MPHA Response: The piping replacement that is slated for 314 Hennepin in 2012 includes all sanitary waste piping in apartment bathrooms and kitchens. MPHA has not yet determined if resident relocation will be necessary, though it is a possibility.

10. Highrise laundry rooms do require larger capacity washers and dryers in order to accommodate heavier items (i.e., blankets, area rugs, bedspreads and comforters).

MPHA Response: Laundry room equipment is provided via a contract with the Minneapolis Highrise Representative Council (MHRC). This need should be addressed with MHRC staff in charge of these contracts.

11. Stench odors do permeate the public housing environments. This stench is spread through the shared vents.

MPHA Response: MPHA vents are exhaust only.

12. Resident expressed concern over the amount of time and money spent to give public housing residents amenities/luxuries inside their apartment units or around the buildings.

MPHA Response: MPHA strives to provide a safe and dignified living environment to its residents and prioritizes all physical needs so that a justified Capital Fund plan is implemented.

13. Resident would like to see individual storage lockers in the parking area for scooters, mopeds and motorcycles.

MPHA Response: When parking lot improvements are implemented at individual buildings, MPHA will assess this need at the building level. However, because parking lot space is limited at most of our buildings, there may not be space for storage lockers.

IV.ARRRA

1. Can residents get jobs related to work on the new ARRA funded buildings?

MPHA Response: Yes, please contact MPHA's Procurement Department to be assessed for skills and Section 3 certification.

2. Will the new ARRA funded buildings be handicapped accessible?

MPHA Response: Yes, the new ARRA developments will be fully accessible.

3. Will the new ARRA funded Senior Center be open to the public?

MPHA Response: Yes, the Senior Center will be accessible to the public; the focus of the services offered through the Senior Center is public housing senior residents.

V. Minneapolis Highrise Representative Council

1. MHRC sincerely appreciates the time and effort of MPHA administrative staff, Bob Boyd, Mary Boler and Emilio Bettaglio in thoroughly presenting and discussing the MTW Plan with residents. MHRC also thanks Cora McCorvey for her willingness to meet personally with resident groups to listen and learn about our concerns about certain aspects of the proposed lease and policy changes.

MPHA Response: Thank you for your acknowledgement. MPHA values its partnership with residents.

2. A major objection of many residents to the new lease continues to be the proposed change in the number of days a resident may be away from her/his apartment, from ninety to sixty. Many residents have expressed that this change will pose a hardship to residents, especially new immigrants, who have limited opportunity to return to their country of origin and often face numerous obstacles with travel.

At various meetings, resident have told stories of the difficulty they have faced searching for lost family members and barriers to mobility because roads have been rendered unusable due to heavy rains or for other reasons.

They have pointed out that they are not traveling for leisure; they are going to search for family members from whom they were abruptly separated, to arrange for sick parents, and to deal with other unresolved matters.

MHRC strongly recommends that MPHA leave the number of days a resident may be away from her/his apartment at ninety. This falls well under the federal Section 8 guidelines of an allowable 180 days.

MPHA has heard residents on the issue, and will allow for a 90-day absence from the unit.

MPHA Response: MPHA has heard residents on the issue and will allow for a 90-day absence from the unit.

3. MHRC appreciates that MPHA, in response to resident objection in many highrises that all community rooms be closed at 10:00 p.m. has already said they will allow residents and management at each site to discuss and determine appropriate closing times.

MPHA Response: MPHA has done additional research on this issue and has agreed to work with residents on an option of determining appropriate closing times, but also for liability and security purposes, MPHA has determined that Community Rooms should not be open beyond 12:00 midnight.

4. MHRC supports several of the recommendations of the MTW Resident Advisory Board regarding the proposed Space Use Policy including:

Defining 'heat wave' and developing a procedure for how this exception will be implemented at each site.

MPHA Response: MPHA agrees and will clarify this definition in the final policy.

The number of guests a resident may have in the community room should be changed from two to five.

MPHA Response: MPHA agrees and will adjust its policy.

“Repeat Users” of a community room should be approved by a resident council

MPHA Response: MPHA will seek resident council input for “Repeat Users” of the community room.

Resident councils should be able to vote to waive the requirement that 10% of profits from “profit making activities” be returned to the resident council, for resident council events (i.e., rummage sales).

MPHA Response: MPHA agrees.

5. MHRC also believes that it should be specified in the policy that the \$1.5 million liability insurance that may be required of a Signed User does not apply to residents.

MPHA Response: MPHA believes it is clear in the policy.

6. MHRC believes that the policy MPHA has already put into practice regarding when MPHA plans to reclaim resident community space for another purpose be incorporated into the Community Space Use Policy.

MPHA Response: MPHA will incorporate this language into the space use agreement.

7. MHRC would like to acknowledge and thank Cora McCorvey and her staff for their commitment to resident participation in this process and their responsiveness to resident comments, concerns and recommendations.

MPHA Response: Thank you for your comments.

Legal Aid Comments and MPHA Responses

Part I. Introduction and Executive Summary

1. Page 5

The MPHA states it will initiate a strategic planning process in 2011 to develop strategies responsive to the needs of its residents, participants and the community. How will this be done? What is the timeline? How will residents who are not part of the MPHA's Resident Council system have access to the process? How will Section 8 participants (Housing Choice Voucher Program and the various other MPHA Section 8 Programs) have access to the process? How will community members have access to this process? How will community service provider and community resource agencies have access to the process?

MPHA RESPONSE: MPHA will be issuing a Request for Proposals (RFP) for a Strategic Planning Consultant, the involvement of the various MPHA and community constituencies will be part of the RFP scope.

2. The MPHA proposes project basing a "limited number of vouchers" to support development of afford able housing. How many is a "limited number"? The statutory objectives that control the MPHA's MTW activities are:

- (1) Reduce cost and achieve greater effectiveness in Federal expenditures;
- (2) Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, education programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- (3) Increase housing choices for low-income families.

Pub. L. 104-134, tit. II, § 204, 10 Stat. 1321, 1321-282 (1996). Which of these are served by this proposal? What has the MPHA identified as the signifier of success for this proposal?

MPHA RESPONSE: MPHA anticipates that no more than 20 vouchers will be utilized for this initiative.

3. The MPHA proposed a "Soft Subsidy Self-Sufficiency Initiative" that provides subsidy to participants that is a flexible amount and time limited. What is the total cost of the subsidies provided this proposal per year? How many households will be served per year? Will the recipients of these subsidies be subject to the rights and obligations of public housing tenants or the rights and obligations of Section 8 Housing Choice Voucher participants? The statutory objectives that control the MPHA's MTW activities are:

- (4) Reduce cost and achieve greater effectiveness in Federal expenditures;

- (5) Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, education programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- (6) Increase housing choices for low-income families.

Pub. L. 104-134, tit. II, § 204, 10 Stat. 1321, 1321-282 (1996). Which of these are served by this proposal? What has the MPHA identified as the signifier of success for this proposal?

MPHA RESPONSE: These questions are specifically answered in the Draft Plan Section V “Proposed MTW Activities: HUD Approval Requested.” Activity #1 Targeted Project Based Initiative.

- 4. The MPHA states it will begin a program of presumptive eligibility and always-open waiting lists for frail elderly people eligible for assisted living and/or Housing with services. The statutory objectives that control the MPHA’s MTW activities are:

- (7) Reduce cost and achieve greater effectiveness in Federal expenditures;
- (8) Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, education programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- (9) Increase housing choices for low-income families.

Pub. L. 104-134, tit. II, § 204, 10 Stat. 1321, 1321-282 (1996). Which of these are served by this proposal? What has the MPHA identified as the signifier of success for this proposal?

MPHA RESPONSE: These questions are specifically answered in the Draft Plan Section V “Proposed MTW Activities: HUD Approval Requested.” Activity #2 MPHA is proposing a new Soft Subsidy Initiative that would increase housing and promote self-sufficiency.

- 5. Page 6

What is the cost per household per year of the MPHA’s current home ownership programs?

MPHA Response: MPHA has not completed this type of analysis.

- 6. The MPHA states 20 families will purchase or prevent foreclosure in 2011 in its combined home ownership and foreclosure prevention programs. How many of those 20 families will purchase in 2011? How many of those 20 families will receive assistance to prevent foreclosure?

MPHA RESPONSE: Purchasing a home is a resident and lender driven process that follows from participation in MPHA's Homeownership program. We are uncertain how many families will purchase in 2011.

The Foreclosure Prevention program is a referral-based program. MPHA has established a MOU with Habitat for Humanity for referrals and we are uncertain how many families will be referred.

7. Is the Two-Year Income Disregard Policy 24 months of eligibility from the point of first employment or 24 months of employment total, recognizing period of unemployment are not uncommon among adults entering the job market for the first time or after an extended period of unemployment? How many people received this Income Disregard in 2010?

MPHA Response: To date 37 tenants have received the Earned Income Disregard.

The statutory objectives that control the MPHA's MTW activities are:

- (10) Reduce cost and achieve greater effectiveness in Federal expenditures;
- (11) Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, education programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- (12) Increase housing choices for low-income families.

Pub. L. 104-134, tit. II, § 204, 10 Stat. 1321, 1321-282 (1996). Which of these are served by this proposal? What has the MPHA identified as the signifier of success for this proposal?

MPHA RESPONSE: Reduce cost and achieve greater effectiveness in Federal expenditures.

Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, education programs, or programs that assist people to obtain employment and become economically self-sufficient.

8. The MPHA states it will identify families who have become unemployed and refer them to local job counseling and support programs. Please identify the programs to which the MPHA has made or will make referrals. Please identify which of these programs, if any, have any written agreements with the MPHA regarding working with these referred MPHA tenants

MPHA RESPONSE: MPHA staff have access to lists of both employment and training programs to which they refer residents who have become unemployed.

9. The MPHA states that its public housing Family Self-Sufficiency (FSS) program is limited to 50 families and states 25 will participate in 2011. Does this mean a total of 75 families will be in the program by the end of 2011?

MPHA RESPONSE: No, the program is limited to 50 families.

Or, does this mean the program will run at only 50 percent capacity in 2011? What is the cost per family per year for this program?

MPHA RESPONSE: MPHA has not conducted this analysis.

The statutory objectives that control the MPHA's MTW activities are:

- (13) Reduce cost and achieve greater effectiveness in Federal expenditures;
- (14) Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, education programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- (15) Increase housing choices for low-income families.

MPHA RESPONSE: Given incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, education programs, or programs that assist people to obtain employment and become economically self-sufficient.

10. Page 7

The MPHA states it will issue 25 new Section 8 HCV Mobility Vouchers in 2011. How many Section 8 HCV Mobility vouchers were issued in 2010?

MPHA RESPONSE: In 2010, MPHA has developed the Mobility Program infrastructure and to date has not issued any Mobility Vouchers under this initiative.

The MPHA states 20 units were purchased in 2009 under its Flexible Development Initiative. Does the lack of data regarding any purchases in 2010 mean no purchases were made?

MPHA RESPONSE: MPHA did not purchase any units in 2010 under this initiative.

11. Page 8

What criteria will the MPHA use to monitor impact on the families housed in Creekside Commons in 2010? If the project will not be completed until late 2010, how will it be possible to measure any impact in 2010?

MPHA RESPONSE: This is a project base Section 8 program. The impact of this program was to create additional housing for low-income families. This goal was achieved with the successful completion of the development. Families are currently being screened and have or will be housed in the very near future.

11. The MPHA states it will implement the increased minimum rent it did not use in 2010 for 2011. What is the date of implementation in 2011?

MPHA RESPONSE: MPHA has encountered software problems that will impact the start date, but will provide appropriate notice for resident and participants prior to implementing this change.

12. The statutory objectives that control the MPHA's MTW activities are:

- (16) Reduce cost and achieve greater effectiveness in Federal expenditures;
- (17) Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, education programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- (18) Increase housing choices for low-income families.

Pub. L. 104-134, tit. II, § 204, 10 Stat. 1321, 1321-282 (1996). Which of these are served by this proposal? What has the MPHA identified as the signifier of success for this proposal?

MPHA RESPONSE: Reduce cost and achieve greater effectiveness in Federal expenditures.

13. The MPHA proposes that HUD give the MPHA 200 new Section 8 Vouchers to use in 2011 to convert 200 public housing units to Section 8 Project based units. The statutory objectives that control the MPHA's MTW activities are:

- (18) Reduce cost and achieve greater effectiveness in Federal expenditures;
- (19) Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, education programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- (20) Increase housing choices for low-income families.

Has the MPHA project based any of the 21 Housing Choice Vouchers earmarked for its work with PPL and the Neighborhood Stabilization Initiative for purchase and renovation of foreclosed properties?

MPHA RESPONSE: MPHA is in the subsidy layering process and has not yet project based any vouchers under this initiative.

If so, how many apartments in how many separate locations have been part of this program?

MPHA RESPONSE: See above.

The statutory objectives that control the MPHA's MTW activities are:

- (22) Reduce cost and achieve greater effectiveness in Federal expenditures;
- (23) Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, education programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- (24) Increase housing choices for low-income families.

Pub. L. 104-134, tit. II, § 204, 10 Stat. 1321, 1321-282 (1996). Which of these are served by this proposal?

MPHA RESPONSE: Increase housing choices for low-income families.

What has the MPHA identified as the signifier of success for this proposal?

MPHA RESPONSE: Additional eligible low-income families being housed.

Part II. General Housing Authority Operating Information

14. Page 24 and 27

The MPHA is proposing project basing an additional 200 public housing units through voluntary conversion or disposition if HUD provides the 200 additional Housing Choice Vouchers needed to do this. The statutory objectives that control the MPHA's MTW activities are:

- (25) Reduce cost and achieve greater effectiveness in Federal expenditures;
- (26) Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, education programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- (27) Increase housing choices for low-income families.

Pub. L. 104-134, tit. II, § 204, 10 Stat. 1321, 1321-282 (1996). Which of these are served by this proposal?

MPHA RESPONSE: Increase housing choices for low-income families.

What has the MPHA identified as the signifier of success for this proposal?

MPHA RESPONSE: The successful conversion of these units.

16. Page 27

The MPHA refers to Attachment D in regard to its conversion of 112 public housing units to project-based vouchers. There is no Attachment D in the Draft MTW Annual Plan FY 2011 and supporting documents posted on the MPHA website for review and comment. Please provide Attachment D as soon as possible for our review and comment so the MPHA's presentation of comments and its responses to the Board of Commissioners on September 22, 2010, is complete.

MPHA RESPONSE: The MTW Agreement and Attachments have been forwarded per your request.

17. Page 27 and 28

The MPHA's description of anticipated issues relating to any potential difficulties in leasing Section 8 HCV or Public Housing units fails to describe where in the MTW Plan or its supporting documents the MPHA has proposed solutions to these issues. How does the MPHA intend to address difficulties it has described in this section?

MPHA RESPONSE: MPHA continues to monitor and analyze issues as they arise that impact its public housing and Section 8 HCV programs. MPHA continues to work with landlords and participants to address specific difficulties. MPHA has expanded its numbers of applicant screens to promote full and timely lease of its properties. In addition, issues such as those listed in the MTW Plan will be considered as part of MPHA's Strategic Planning process.

18. Page 30

The MPHA states it plans to "purge the waiting list in April 2011." It is unclear whether the MPHA is referring to the Family Waiting List or the Section 8 HCV Program Waiting List. Please clarify which List the MPHA intends to purge in April 2011 and describe how the purge will be done.

MPHA RESPONSE: This date applies to the Section 8 waiting list.

Part III. Non-MTW and MTW Related Housing Authority Information

19. Page 37

The MPHA states it will put its partnerships with the City of Minneapolis Inspections; staff to conduct HQS inspections for the Section 8 HCV participants “in selected areas of the city”. What are the selected areas for this proposal? How will the MPHA compare this effort to its HQs inspections program result to assess cost, quality and satisfaction of owners and tenants? What areas will be the sample to which the “selected areas” using the Minneapolis Inspections’ staff are compared? When in 2011 will this be implemented?

MPHA RESPONSE: MPHA and the City are currently in the beginning stages of addressing these and other questions related to the implementation of this initiative.

The statutory objectives that control the MPHA’s MTW activities are:

- (28) Reduce cost and achieve greater effectiveness in Federal expenditures;
- (29) Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, education programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- (30) Increase housing choices for low income families.

Pub. L. 104-134, tit. II, § 204, 10 Stat. 1321, 1321-282 (1996). Which of these are served by this proposal?

MPHA RESPONSE: Please note that this initiative is a non-MTW activity.

What has the MPHA identified as the signifier of success for this proposal?

MPHA RESPONSE: MPHA and the City are currently in the beginning stages of addressing this and other questions related to the implementation of this initiative.

Part IV. Long-term MTW Plan

20. Page 44

Where in Minneapolis will the 20 families in this Soft Subsidy Program with Alliance Community Housing live?

MPHA RESPONSE: MPHA and Alliance Community housing are working out the details for this program.

The description states 20 families begin in 2011 and “all subsidies will be allocated by early 2012”. This suggests that possibly more than 20 will be assisted when fully operational. How many total families will be assisted?

MPHA RESPONSE: This initiative is limited to 20 families.

21. Page 46

The MPHA states it intends to decrease by 50 percent the time from approval for Assisted Living Services to being housed at an MPHA building. There is no information provided for the length of time this currently takes other than the statement by the MPHA that “[C]urrent applicant screening processes often result in delays....” What is the period of time the MPHA intends to reduce by 50 percent?

MPHA RESPONSE: The complete screening process can take up to six months.

DRAFT STATEMENT OF POLICIES 2010-2011

Introduction

22. 2. Non-Discrimination Statement:

The Draft states the MPHA “has adopted a Policy Against Discrimination, Harassment, and Retaliation”. This document is not included in the Statement of Policies (SOP) and is not available on MPHA’s website with the Draft MTW Plan and supporting documents. Please provide a copy for review and comment as soon as possible.

MPHA RESPONSE: MPHA will post this Policy on its website.

Part I

Definitions

23. Page 10

13. Dating Violence

The definition simply states “See VAWA Policy”. The definition should be stated here. At the very least the reference should identify, by Part and page number, where in the SOP the reader may find the VAWA Policy.

MPHA RESPONSE: MPHA will state: See Definitions in VAWA Policy.

24. Page 11
20. Domestic Violence

The definition simply states “See VAWA Policy”. The definition should be stated here. At the very least the reference should identify, by Part and page number, where in the SOP the reader may find the VAWA Policy.

MPHA RESPONSE: MPHA will state: See Definitions in VAWA Policy.

25. Page 13
29. Emancipated Minor

Minnesota statute does not provide a mechanism by which a minor is emancipated by judicial action. The definition must be revised accordingly.

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA disagrees and states that that another state may emancipate a minor by a court order.

26. 34. Family Housing Unit

This definition must be revised to comply with the Fair Housing and Minnesota Human Rights Act protections against familial discrimination. The proposed definition must turn on the number of household members and not the status of some of them as children.

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA disagrees and states that MPHA has a limited number of family units and has the discretion to limit family units to families with dependents. MPHA’s definition of dependent complies with Federal Regulation.

27. 36. Fixed Income

Minnesota General Assistance (GA) is a fixed amount just as the other public benefits listed here so this definition must be revised to include GA as well.

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA disagrees and states that MPHA has the discretion to define the term fixed income for purposes of this initiative. Because GA is not long term, MPHA has not included it in the definition.

28. 45. Head of Household

This must be revised. The SOP refers to Co-Heads of Household, i.e. in Part III, page 30, and definition 88. Tenant, page 21, as does the MPHA Public Housing Family Lease. Co-Heads of Households are the reality for many of the MPHA’s households. The definitions and the SOP must be consistent.

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA disagrees and references the definition of Co-head of Household.

29. Page 14 #. Add the definition of "Immediate Family Member" used in the MPHA VAWA Policy. At the very least the term should be added to the list of definitions with a reference to the VAWA Policy identifying, by Part and page number, where in the SOP the reader may find the VAWA Policy.

MPHA RESPONSE: MPHA will state: See Definitions in VAWA Policy.

30. Page 15

54. Involuntary Displacement 54. B.
Government Action

This section should be revised to specifically include the lack of a rental license. Minneapolis Ordinance prohibits collection of rent without a license and tenants will be ordered to vacate a unit that is not properly licensed.

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA disagrees and prefers not to list every state and local violation that exists under this section and which may be amended at any time.

31. 54. Involuntary Displacement

54. C. Housing Owner's Action

This section of the definition must be revised to specifically recognize an applicant's displacement resulting from foreclosure.

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA disagrees and prefers not to list every state and local violation that exists under this section and which may be amended at any time.

32. Page 17

55. Live-In Aide

This must be revised to conform to 24 C.F.R. §5.403 (2009) and HUD PIH 2009-22 (HA) (July 21, 2009). The requirement that the aide "prove they have the skills . . ." must be deleted. The language requiring the reason for the aide, the hours of care needed and the duration of the need provided by a health care provider must be deleted. This type of information is not required by the relevant federal regulation or the HUD Notice PIH 2009-22 (HA). Third-party verification that the aide is essential for the household member is sufficient. The request for information about the type of care and hours of care constitutes inquiries by the MPHA regarding the disabled person's disability violating federal statute and regulation. 24 C.F.R. § 100.202 (2009).

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA disagrees and states that as a qualifying reasonable accommodation MPHA must approve a qualified live-in. Federal regulation permits MPHA to determine whether the live-in aide is essential to the care and well-being of the tenant. As such, the live-in aide must have the necessary skills to care for the tenant and a health provider must verify the need for a live-in aide.

33. Page 21 83.
Stalking _____ The definition simply states "See VAWA Policy". The definition should be stated here. At the very least, the reference should identify, by Part and page number, where in the SOP the reader may find the VAWA Policy.

MPHA RESPONSE: MPHA will state: See Definitions in VAWA Policy.

34. 88. Tenant
This definition includes Co-Head of Household and thus conflicts with 45. Head of Household, page 13.

MPHA RESPONSE: MPHA disagrees and will not make this change.

35. 84. Substandard Housing
84. A. Add to the definition of substandard housing the lack of a valid rental license from the City of Minneapolis. Minneapolis Ordinance prohibits collection of rent without a license and tenants will be ordered to move from a unit that is not properly licensed.

MPHA RESPONSE: This is a repeat comment from 2009. Again, Substandard Housing refers to the condition of the unit and not to the fact that the unit is licensed.

36. Page 22 95.
Violence Against Women Act _____ Remove the reference to "Section 8 assistance" in this definition since the SOP does not cover the Section 8 Programs administered by the MPHA. The definition must be corrected to cite the proper location of the VAWA Policy within the SOP.

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA prefers to leave this in. MPHA will reference Part XXII.

Part II

Requirements for Admission

37. Page 23

3. D. This part should contain a cross-reference to "Appendix H; Applicant Screening Guidelines" so a reader knows there are additional admission requirements in other parts of the SOP. The documents listed as proof for this criterion the MPHA has chosen to require must include the written permission of the parent or person with custody that appears *supra in* 3. C. 5.

MPHA RESPONSE: MPHA will add a cross-reference to Appendix H and will state that: "Also, written permission of the parent or other person having custody of the child may be such evidence, depending upon the circumstances."

38. Page 24

4. B. 4.) Delete criterion 4). The MPHA is not required to do anything that would be a fundamental alteration to its program under the principles of reasonable accommodation and states this in a number of places in its Reasonable Accommodation Policy. As stated here the criterion has a chilling effect on disabled persons and their families who may read it as a restatement of the illegal criterion of "possessing the ability to live independently" in order to apply for and live in public housing.

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA declines to make this change.

39. 4. C. 1) Revise criterion 1) to include the VAWA exception: ". . . utilities, except the applicants for whom this negative information is the consequence of dating violence, domestic violence or stalking against the applicant or her immediate family members;"

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA states that MPHA will provide VAWA protection as appropriate and declines to make this change.

40. 29. Page 25

4. C. 2) Revise criterion 2) to include the VAWA exception: ". . . neighbors, except the applicants for whom this negative information is the consequence of dating violence, domestic violence or stalking against the applicant or her immediate family members;"

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA states that MPHA will provide VAWA protection as appropriate and declines to make this change.

41. 4. C. 2) Revise criterion 2) to conform to 24 C.F.R. § 960.203 (2009), which does not include "neighbors, or MPHA staff'.

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA states that MPHA will provide VAWA protection as appropriate and declines to make this change.

42. 4. C. 3) Revise criterion 3) to conform to the requirements of 24 C.F.R. § 960.203 (2009), which does not include "neighbors, MPHA staff, contractors or subcontractors".

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA states that MPHA will provide VAWA protection as appropriate and declines to make this change.

43. 4. C. 3) Revise criterion 3) to include the VAWA exception: ". . . subcontractors, except the applicants for whom this negative information is the consequence of dating violence, domestic violence or stalking against the applicant or her immediate family members;"

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA states that MPHA will provide VAWA protection as appropriate and declines to make this change.

44. 4. C. 4) Revise criterion 4) to conform to the requirements of 24 C.F.R. § 960 (2009), which does not include ". . . neighbors or MPHA staff'.

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA states that MPHA has the discretion to include "neighbors or MPHA staff and declines to make this change.

45. 4. C. 7) Tenant Selection Criteria: Revise criterion 7) to include VAWA exception: "... application process except the applicants for whom the eviction is the consequence of dating violence, domestic violence or stalking against the applicant or her immediate family members;"

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA states that MPHA will provide VAWA protection as appropriate and declines to make this change.

46. 29. Page 25 4. C. 7)
The MPHA criterion uses a five (5) year period from the time the MPHA begins processing the application but does not describe exactly what "begins processing" means. An applicant could complete the application and a long time pass before the MPHA picks up the application to begin any work on determining the eligibility of the applicant and verifying the information in the application. The time for the five (5) years to begin running should be the date of the application. Since the MPHA probably processes applications within five (5) years, any criminal activity between the date of the application and the time the MPHA "begins processing" will be part of the criminal history verification that the MPHA gets through its contacts with the police department, courts and NCIC records from the FBI. Nothing will be missed that is relevant to determining suitability as tenant. To turn on the clock at any later time for this 5-year period of review is unjustifiable.

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA states that the request would lengthen the time period because it continues throughout the entire application process. MPHA will state that “processing begins with the date MPHA conducts the initial screening interview.”

47. 4. C. 8) The MPHA criterion uses a five (5) year period from the time it begins processing the application but does not describe exactly what "begins processing" means. An applicant could complete the application and a long time pass before the MPHA picks up the application to begin any work on determining the eligibility of the applicant and verifying the information in the application. The time for the five (5) years to begin running should be the date of the application for the same reasons cited *supra* regarding criterion 4. C. 7).

MPHA RESPONSE: See the answer to #46.

48. 29. Page 26 4. C. 18)
The MPHA has chosen to use criterion 18) regarding an "active bench warrant", but fails to define what that means here. The SOP must also specify what the MPHA will do with the application if the applicant resolves the warrant by paying the fine or some other resolution. Many times a warrant has been issued for a nonviolent crime or a traffic issue of which the person may be unaware until the warrant is found in some other context, and it is easily and quickly cleared from his or her record.

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA declines to make this change.

49. 4. D. 1) Criterion 1) needs to be revised. The SOP must explain what the MPHA proposes to do when its own records are inadequate to provide sufficient information to assess what the past termination was based on, making it impossible to determine there has been no further activity of that nature. The termination that resulted in a court action is often not going to be useful for this period either since the records at district court are not retained long enough to provide the facts that this criteria presupposes are available. Finally, without any rationale the MPHA previously lengthened the time line from three (3) to five (5) years without providing any rationale and without recognizing the lack of records as noted *supra*. For such an onerous extension the MPHA should be able to state why there should be even greater limitations on access to its housing programs so the community can determine whether it supports the MPHA in this exercise of its discretion. If the 3-year prohibition did not meet some articulable goal of the MPHA, no explanation of that has been provided.

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA states that it believes that a five-year period is a better predictor of future conduct than a three-year period.

50. 4. D. 4) Criterion 4) needs clarification. Does the MPHA mean by permanent withdrawal that anyone owing a debt to the MPHA is not allowed to apply for MPHA Public Housing? What will happen to a withdrawn application if the debt is repaid? How does this criterion relate to the new proposed hearing process described *supra* in the Draft SOP for the Revenue Recapture Process by which the MPHA has been and will continue to recover money allegedly owed?

MPHA RESPONSE: MPHA will delete the language and replace with: "Owing MPHA money."

51. 4. D. 5) This criterion refers to the initial NCIC report leading to fingerprinting. Is the MPHA referring here to the Minneapolis Police department review of the NCIC records that results in a report that a record exists leading the MPHA to request fingerprints from an applicant? If so this section should be revised to properly state the process so applicants and the community know what process the MPHA uses.

MPHA RESPONSE: This is a repeat comment from 2009 and again the answer is yes and MPHA declines to make the change.

52. D. 6) The law does not require the prohibition that the MPHA has chosen to impose in this provision. By not permitting an applicant household to remove a member of the household from the application whose behavior is the basis for denial by the MPHA, the MPHA fails to properly provide consideration of mitigating circumstances the law does require. This prohibition must be removed so the MPHA is not at risk of using its resources to unnecessarily defend against legal challenges to its application procedures that will result from this failure to comply with the law.

MPHA RESPONSE: MPHA will amend this section to state: "Except as allowed by MPHA's VAWA Policy and E. below, an applicant may not remove a member of the household from the application, solely to avoid the denial of the application."

53. 29. Page 27 4. D. 7)
This criterion is a purely arbitrary in its imposition of a disqualifying time period of 6 months from an MPHA denial letter to a new application. It has no basis in law. The MPHA has not articulated a justification for such a "waiting period".

MPHA RESPONSE: MPHA declines to make this change and has the discretion to manage its waiting list.

54. 4. E. 1) This criterion paraphrases a factor from 24 C.F.R. § 960.204 (d) (2009) but the MPHA has exceeded the law to add its own requirement of six (6) months successful residential history after completion of a drug or alcohol rehabilitation program. Many rehabilitation programs will include a period during which the participant is not in a residential treatment setting while still participating in the aftercare components of the program, components that

may continue for the person's entire life as a way to maintain sobriety, so the addition of the 6 months is unnecessarily onerous. The criteria should be revised so it is clear that the factors related to rehabilitation are individualized and will receive individualized review by the MPHA with an eye to the legal standard of showing a reasonable probability of favorable future conduct as tenant and not as a way to impose additional barriers for an applicant. When the MPHA revises this criterion it must be especially mindful of the limitations imposed on it by 24 C.F.R. § 920.205 (2009) so it does not violate the rights of an applicant in regard to requests for treatment information.

MPHA RESPONSE: This is a repeat comment from 2009 and again MPHA declines to make this change and believes that it complies with applicable regulation.

55. 4. E. 4) Criterion 4) requiring written evidence of ability to pay public housing rent ignores the fact that an applicant with no income is not categorically ineligible for public housing. There is no minimum income requirement for public housing in federal law, even if minimum rents are permitted. Requiring written proof of ability to pay will illegally lead the uninformed applicant to think that he or she cannot apply for MPHA Public Housing without income. The MPHA is putting itself at risk of using its resources to unnecessarily defend against a legal challenge to this criterion.

MPHA RESPONSE: MPHA will revise this section to state: "Objective, written verifiable evidence that unfavorable information regarding the non-payment of rent was based upon rent above 30% of the family's income."

56. 4. E 5) Criterion 5) refers to a "reasonable amount of time" without providing any factors that the MPHA will consider to determine the time period for reasonability. The criterion requires an agreement to trespass the perceived "bad actor" without defining what that process of "trespassing" entails. Finally the criterion requires an agreement to "enforce the trespass" without any information about that that would require an applicant family to do. These defects must be cured before the readers can consider whether or not the criterion falls within the legal parameters of federal statute and regulation for public housing or constitutes sound public policy.

MPHA RESPONSE: This is a repeat comment from 2009 and again MPHA states that this is a mitigating factor and decisions may vary depending upon the circumstances and declines to make this change.

57. Page 28
5. C. The MPHA is required by 24 C.F.R. § 960.208 (2008) to promptly notify applicants if they are found ineligible. The Draft language contains no timeline, not even "promptly". At the very least the language must be revised to inform applicants of the MPHA's obligation to provide them the prompt notice of denial that is their right under the law.

The final sentence of this section must be revised. There is no basis in law for the MPHA's assertion that the applicant waives his or her right to judicial review if an Informal Hearing is not requested.

MPHA RESPONSE: MPHA will insert the word “promptly.” The second comment is a repeat comment from 2009. Again the SOP states that the applicant may waive the right to judicial review. MPHA is unaware of any legal authority clarifying this issue and declines to make the change.

58. 5. D. The process of the Informal Hearing for an applicant should state the right to make a record of the hearing at the party's own expense. There should be no obligation for the party creating the record to provide a written transcript of the record, although making a copy of the record available for purchase by the other party should be included. An audio-taped record, as the MPHA has provided for at various other points in its own SOP and Section 8 Administrative Plan is relatively inexpensive. It is basic due process. The MPHA can allow for in this section without incurring any cost to the MPHA. Failure to provide for a record at a party's own expense will not prevent this issue from arising in the future, likely in the context of an appeal and possibly in an affirmative lawsuit. The MPHA could avoid the risk of using its resources to respond to the issue in the future, by making this change now.

MPHA RESPONSE: MPHA will amend all Hearing Rules to state that either party may make a record of the hearing at their own expense. Also, a party may ask MPHA to provide a copy of the record under the Minnesota Data Practices Act.

59. 5. D. 6) The process of review by the Board of Commissioners sets no timeline for that review, only for notice to the applicant of the outcome. The applicant needs to know when a Board review will occur. Any timeline proposed must take into account the applicable state laws.

MPHA RESPONSE: MPHA will state: “in such cases, MPHA’s Board of Commissioners will review the matter within the next two Board Meetings and MPHA will inform the applicant of the day of the review.”

60. Page 29

5. D. 8) This section should contain a reference to the Reasonable Accommodation Policy, citing it by Part and page number, so the reader knows where to find out what the process that will be used for the MPHA's response to a Reasonable Accommodation request.

MPHA RESPONSE: MPHA will refer to Part XXI.

61. 6. This section should contain a reference to the MPHA's LEP Plan, citing it by Part and page number.

MPHA RESPONSE: MPHA will add Part XX.

Part III

Verifications

62. Page 30
1. This paragraph refers to Co-Heads of Households, however the Draft SOP definitions, on page 17 *supra* conflicts. Change the definition which states there can be only one Head of Household.

MPHA RESPONSE: This is a repeat comment from 2009 and again MPHA states that a family may have a Co-Head of Household and a Head of Household.

63. 2. The proposed requirement that certain groups of residents identified by their source of income or lack thereof produce income tax returns for the MPHA to verify income, as well as requiring that those categories of residents sign releases providing MPHA access to their federal and state tax returns, goes well beyond the limits of the law. The MPHA has a great deal of income information, including SWICA and Social Security information, at its disposal from the EIV system and the HUD 9886 Release that all adults are required to sign as a condition of their application and continued occupancy. Federal regulation at 24 C.F.R. § 5.230 (2009) permits only HUD to obtain IRS information and it does not include housing authorities in that permission.

MPHA RESPONSE: This is a repeat comment from 2009 and again MPHA states that the cited regulation states the minimum consent forms and does not bar MPHA from obtaining IRS information.

64. Page 31
10. This section needs clarification. Is the MPHA intending to assess the potential eligibility of an applicant or tenant household for the forms of public benefits listed herein and then ask the household to verify that they are not getting those forms of income? The MPHA staff ability to determine what public benefits might be available to a particular household seems unreliable at best. Other than asking a household to sign a release for Hennepin County Economic Assistance to have the County verify the benefits the person does or does not receive what is the MPHA planning to do here? Is the MPHA considering requiring an applicant or resident family eligible for some particular form of public benefits to in fact apply for those benefits and

if so under what legal authority would the MPHA intervene in these family decisions? MPHA's only response to the questions has been to decline to respond.

MPHA RESPONSE: The Section states the MPHA will verify the absence of the income. No further clarification is necessary.

Part IV

Preferences

65. Page 33

The MPHA has chosen not to distinguish between the individual who was culprit and the other family members of his or her family in this paragraph by denying any preferences for which the family might be eligible if the family once contained a member who was terminated for drug-related criminal activity. The individualized review of an applicant's circumstances precludes a categorical exclusion of this type. This punishes an entire family without any factual basis for such action.

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA states that MPHA does not distinguish between the two because they are part of the applicant family.

66. 8. The MPHA has chosen not to distinguish between the individual who was culprit and the other family members of his or her family in this paragraph by denying any preferences for which the family might be eligible if the family once contained a member who was terminated for drug-related criminal activity. The MPHA is choosing to deny preference points to the family based on the bad acts of a former family member for five (5) years. This punishes a family without any specific review of the facts.

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA states that MPHA does not distinguish between the two because they are part of the applicant family.

67. 9. In this section, the MPHA proposes to house 300 persons who do not fit into any of the categories the MPHA has laid out as those with the greatest needs or priorities by providing them preference points. This section does not limit those 300 without preferences to fill only housing units that have serious vacancies. The only rationale ever offered is it is reasonable to offer public housing to a broad spectrum of the population. In light of the scarcity of affordable housing and the recognized needs of the populations currently seeking housing from the MPHA, a more detailed justification for giving 300 units to those without the preferences is called for so the MPHA does not appear to be arbitrary and capricious in its exercise of discretion to those with the preference points who might have to wait for housing behind these 300 people without any preference points.

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA states it is reasonable to offer public housing to a broad spectrum of the population.

Part V

Assignment Plan

68. Page 34
2. B. This section must be revised to conform with the settlement of *S.R., et al. v. MPHA, et al*, 08-CV-2754 DSD/AJB, Order and Stipulation, December 19, 2008.

MPHA RESPONSE: MPHA does not agree that this section needs to conform or does not conform with the Order and Stipulation.

69. Page 35
5. There needs to be a reference here to the MPHA Reasonable Accommodation Policy, identifying by Part and page number, its location in the SOP. The statement of factors considered by the MPHA when offering a unit must inform the reader of the role of reasonable accommodation in the process too.

MPHA RESPONSE: This is a repeat comment from 2009. Again, MPHA states the Reasonable Accommodation Policy in general applies to MPHA's policies and procedures. It is impractical to make references to this Policy throughout the SOP, As such, MPHA declines to make this change.

70. 5. A. Attempting to understand how the general phrases stated affect actual offers to applicants we previously asked what was meant by "integrity of the waitlists" mean for the MPHA's offering policies, practices and procedures? We were referred to a dictionary as the MPHA's response. This fails to provide clarification. Our questions remain for this entire section. What "vacancies" might affect MPHA's offering policies in ways that are not delineated in the terms of the SOP? Would the "vacancies" refer to a particular building or to the MPHA stock as a whole? Preferences have already been described at length *supra* in the SOP so what does "preferences" mean here?

MPHA RESPONSE: MPHA will revise the SOP to state: "In offering a unit to an approved applicant MPHA may consider: vacancies; the size of the family; preferences; date and time of the application; and acceptance to a program in Appendix E."

71. 5. B. This section requires an applicant to accept a unit within so little as 24 hours of viewing. While it is clear that the MPHA needs to keep moving units to occupancy as soon as possible, 24 hours is simply too short. Even a person with limited funds and few housing choices may need a little more time to decide if the unit that was offered will fit his needs. A change to 48 hours would not put the MPHA into a financially untenable position or intolerably slow its turnover of units. When this was raised last year, the MPHA provided no reason for its denial of this request.

MPHA RESPONSE: MPHA will revise to state that: "no later than the second working day. If applicant does not notify MPHA of a decision to accept or reject by the second working day, MPHA will deem the offer rejected."

72. Page 36

D. 1) An applicant for a highrise unit who rejects the MPHA's offers is removed from the waiting list and prohibited from applying for a year while the rejection of an offer in family housing will only result in placement at the bottom of the waiting list for 6 months. The MPHA has stated the rationale for this policy is a highrise applicant gets four offers and a family housing applicant gets only one. This does not explain why the MPHA has chosen to essentially punish the highrise applicant for rejecting the MPHA's offers. If any penalty can be justified, placement at the bottom of the waiting list for a year rather than requiring a totally new application process with a new waiting period makes more sense.

MPHA RESPONSE: This is a repeat comment from 2009. MPHA states that the highrise tenant will have rejected four offers and the family tenant will have rejected one offer. It is expensive and time consuming to process an application. MPHA has an interest in processing applicants who want public housing and may extend the time in which a tenant who has rejected four offers may reapply. MPHA will not make this change.

73. D. 3) The list of fixed incomes in this section must be revised to include those who receive MN General Assistance (GA), which is also a fixed income. The MPHA's response that MN GA is temporary displays a lack of understanding of the GA program. GA is a state funded program that provides \$203 per month to a large number of people whose eligibility is based on their status as being 54 or older and having a disability that has been verified by the state. For some of them a subsequent application for Social Security Disability benefits may result in their receipt of fixed income from Social Security. However, that process may take 2 years, so their receipt of MN GA is not temporary. For those who are 54 or older, have a verified disability meeting the MN GA standard, but may be eventually denied Social Security disability benefits MN GA will continue and thus they too do not receive GA as a temporary income. The MPHA's definition of MN GA as temporary is not correct for everyone this section must be revise to MN GA is added to the list of fixed incomes in this section. A similar revision must be made at any other place in the SOP that the concept of fixed incomes appears.

Also, the MPHA has previously been asked for its justification for offering its largest highrise units to those with fixed incomes or earned income. No answer has been provided. There is no economic advantage to putting those with fixed or higher incomes in larger units since the rent is based on the household adjusted gross income and not on the unit size.

MPHA RESPONSE: This is a repeat comment from 2009. MPHA has an interest in promoting working families or those families with incomes. Also, see the response to the comment on the definition of Fixed Income. MPHA declines to make any changes.

Part VI

Occupancy Standards

74. Page 38
1. C. This proposed section must be deleted. The current leaseholder does have the right to use the grievance procedure to dispute the adverse action taken by the MPHA to deny an adult lease add-on. See, 24 C.F.R. §§ 960.51 and .53 (2009). Failure to recognize this risks using MPHA resources to defend legal challenges by residents harmed by this.

MPHA RESPONSE: The cited regulations do not exist. MPHA will revise this section to state that “an applicant who is denied admission and not the requesting the tenant may request an Informal Hearing as any other applicant.”

75. 1. D. 1. The factors or indicators the MPHA will use to find intent to "circumvent the waiting list" should be stated, even if in the form of a non-exhaustive list of ". . . including but not limited to" This raises this section from *ad hoc* decisions to a statement of policy intended to inform applicants and the community about how the MPHA will review requests to add to a lease.

MPHA RESPONSE: This is a repeat comment from 2009. MPHA again states that it will use any relevant factors and common sense.

76. D. 3. This section must be revised to include those who are current on a repayment agreement within the definition of lease compliant. There are many reasons why a person may be party to a repayment agreement with the MPHA, including a delay in recalculation of rent that was not within the resident's control. The key issue of lease compliance in order to deserve the lease add-on requested should be whether or not the resident is meeting the obligations of the repayment agreement in addition to the obligations in the lease.

MPHA RESPONSE: This is a repeat comment from 2009. Again, this section states that tenants who do not timely report their income **due to their fault** are not in compliance with the lease. As such, they are not lease compliant and not eligible for a lease add-on.

77. Page 40

2. D. 1) The factors or indicators the MPHA will use to find intent to "circumvent the waiting list" should be stated, even if in the form of a non-exhaustive list of ". . . including but not limited to" This raises this section from *ad hoc* decisions to a statement of policy intended to inform applicants and the community about how the MPHA will review requests to add to a lease.

MPHA RESPONSE: See the answer to #75.

78. 2. D. 3) This section must be revised to include those who are current on a repayment agreement within the definition of lease compliant. There are many reasons why a person may be party to a repayment agreement with the MPHA, including a delay in recalculation of rent that was not within the resident's control. The key issue of lease compliance in order to deserve the lease add-on requested should be whether or not the resident is meeting the obligations of the repayment agreement in addition to the obligations in the lease.

MPHA RESPONSE: See the answer to #76.

79. 2. D. 4) The evidence listed in this section should be revised to include both a Delegation of Parental Authority and written permission of the parent or other person having custody of the minors.

MPHA RESPONSE: MPHA will add the following: “Also, written permission of the parent or other person having custody of the child may be such evidence, depending upon the circumstances.”

80. 2. F. This section must be revised to comply with federal law defining family to include remaining family members. When the head of household vacates, the remaining family member can remain if eligible under the eligibility and tenant selection criteria. *See, 24 C.F.R. § 5.403 (2009).*

MPHA RESPONSE: MPHA will revise the SOP to state that: “Persons who may apply for public housing because they qualify for an open waitlist may remain on the lease.”

G. This section must be revised to comply with federal law defining family to include remaining family members. When the head of household vacates, the remaining family member can remain if eligible under the eligibility and tenant selection criteria. *See, 24 C.F.R. § 5.403 (2009).*

81. Page 41

3. B. 1) The evidence listed in this section must be revised to state Delegation not Declaration of Parental Authority.

MPHA RESPONSE: MPHA will make spelling changes to this Section.

82. 3. B. 2) This section must be revised to include those who are current on a repayment agreement within the definition of lease compliant. There are many reasons why a person may be party to a repayment agreement with the MPHA, including a delay in recalculation of rent that was not within the resident's control. The key issue of lease compliance in order to deserve the lease add-on requested should be whether or not the resident is meeting the obligations of the repayment agreement in addition to the obligations in the lease.

MPHA RESPONSE: MPHA will delete this section.

Part VII

Rent Computation and Security and Pet Deposits

83. Page 42

2. Fixed Income: This section must be revised to state the tenant's time line for reporting a change in source of income other than COLAs.

MPHA RESPONSE: MPHA will add to the sentence: “within five working days of the change.”

84. Page 46

7. Utility Allowance: This section must be revised to conform to the law, deleting application of the utility reimbursement to the tenant's MPHA account balance. Federal regulation requires that the reimbursement be paid to the tenant or to the utility supplier. There is no provision for keeping the money and using it as the MPHA proposes. *See*, 214 C.F.R. § 5.632(b) (2) (2009).

MPHA RESPONSE: MPHA state: “or with the tenant’s written permission, may apply...”

85. Page 61

9. Pet Deposit: Correct the final sentence in this section.

MPHA RESPONSE: MPHA declines to make this change.

Part VIII

Tenant Transfer

86. Page 48

1. F. In response to objections to transfer fees in this section last year the MPHA stated it would "delete the senior designated transfer." This has not been done. The proposed transfer fees must be deleted entirely. Any MPHA charges for maintenance should reflect the actual costs that were incurred by the MPHA due to the transfer above and beyond the cost of doing business to prepare the unit to be occupied by a new tenant. A new tenant is not assessed maintenance fees when moving in rather than transferring. It is hard to believe that anything is done to prepare the way for a transferred tenant beyond preparation for a new tenant. The administrative nature of the fee without any explanation of what additional costs beyond the cost of doing business becomes nothing other than a barrier to keep people from asking for a transfer they cannot afford. The difference in the fees based on the years of tenancy, \$400 for 5-year tenants and \$200 for 10 years tenants, is simply incomprehensible. No rationale or explanation was provided for this arbitrary disparity last year by the MPHA.

MPHA RESPONSE: MPHA will delete the senior transfer. All transfer fees are less than the actual cost and MPHA declines to make other changes.

87. 2. C. The offer of one unit that the MPHA thinks meets the reasonable accommodation needs of the tenant, and then cancellation of the transfer if the offer is rejected ignores the interactive process that the law requires for reasonable accommodations. The MPHA should not limit the number of offers in the process. When the unit the MPHA deems appropriate is rejected the MPHA must engage the tenant in discussion of what the offered unit lacked so that a second offer can be made that will respond to those points. The law expects this discussion to continue until there is agreement or until the MPHA deems the accommodation

unreasonable as defined by law and denies the request, leaving the tenant to seek administrative or judicial remedies at his option.

MPHA RESPONSE: This is repeat comment from 2009 and MPHA declines to make this change because the offer must be suitable.

88. 2. D. Not all requirements for a physically accessible unit will be the same just because they might be classified under that broad general topic. The cancellation of the transfer after one unit the MPHA deems appropriate is not sufficient under the legal requirements for an interactive process for reasonable accommodations. If the unit, the MPHA, deems appropriate is rejected the MPHA must engage the tenant in discussion of what the offered unit lacked so that a second offer can be made that will respond to those points. The law expects this discussion to continue until there is agreement or until the MPHA deems the accommodation unreasonable as defined by law and denies the request, leaving the tenant to seek administrative or judicial remedies at his option.

MPHA RESPONSE: This is repeat comment from 2009 and MPHA declines to make this change because the offer must be suitable.

89. 4. Page 49

2. F. 1) What does "valid reason to separate a household" mean? Some examples, not necessarily an exhaustive list would be helpful to inform the reader what the MPHA intends.

MPHA RESPONSE: MPHA declines to make this change because the offer must be suitable.

90. 2. F. 2) a) What does "Separation of Household" mean?

MPHA RESPONSE: It means when household members separate.

91. 2. F. 2) b) In response to questions last year about what is now 2) b), the MPHA stated it "will remove the reference to family unit." This was not done.

MPHA RESPONSE: MPHA apologizes for the confusion. MPHA did not make the change because within occupancy transfers, transfers from highrise to family are the second priority. As such MPHA will not make this change.

92. H. 1) Is the occupancy level of 98% referenced here a rate for all the MPHA's Public Housing stock or just an occupancy level for a particular building? We asked for clarification of this section last year. The MPHA's answer: "It is clarified." did not result in any textual change in this section so our question remains.

MPHA RESPONSE: MPHA will add "overall."

Part IX

Leases and Lease Addenda

93. Page 51

H. This section should state the MPHA's legal obligations to provide free interpreter services needed for LEP households at the signing of the lease.

MPHA RESPONSE: This is a 2009 comment. Again MPHA declines to make this change and will comply with the LEP policy.

94. 2. If the lease documents will be signed by an LEP household, the documents should include a certificate of translation signed by the free interpreter that the MPHA used. The Certificate should remain in the tenant file.

MPHA RESPONSE: This is a 2009 comment. Again, MPHA declines to make this change and will comply with the LEP policy.

95. Page 52

10. The prohibition regarding mail delivery at a tenant's unit for anyone not on the lease must be revised to permit the receipt of mail from the Social Security Administration when the tenant is a representative payee for a Social Security recipient. It is possible for a tenant to be a representative payee without the recipient of the Social Security benefits residing with the representative payee. Receipt of the Social Security benefits mail for the non-resident by the representative payee who is the tenant would violate this provision if it were not revised.

MPHA RESPONSE: MPHA will revise and state: "receipt of Social Security benefits as a representative payee for another person."

Part X

Reexamination of Tenant Eligibility and Rent Adjustments

96. Page 53

There are timelines in this section for the tenant in the reexamination process but no timelines for the completing of rent calculation by the MPHA. This Part should be revised to include deadlines for the MPHA as well so tenants can rely on a timely response to their rent calculations and avoidance of the problems that occur when timely action does not occur and corrections must be made retroactively.

MPHA RESPONSE: There are too many variables for MPHA to set a timeline and declines to make this change.

97. 4. B. The process of reexamination of eligibility needs to be revised throughout to include free interpreter services and to offer translation of the documents that meet the definition of vital documents under the HUD LEP Guidance, 72. F.R. 2732 (Jan. 22, 2007). A reference to the MPHA LEP Plan will be insufficient since it does not fully inform LEP tenants of their legal rights.

MPHA RESPONSE: This is a 2009 comment. Again, MPHA declines to make this change and will comply with the LEP policy.

98. Page 54

4. B. The MPHA states it will not provide a rent reduction as an interim reexamination if the tenant has not cooperated with the annual re-exam. The policy fails to state what constitutes "not cooperated". Without clarification the resident is not informed of expectations and the MPHA's actions appear arbitrary and ad hoc.

MPHA RESPONSE: MPHA declines to make this change.

99. 4. C. This section requires the tenant to tell the MPHA when/if the MPHA has failed to do its job regarding rent calculation and automatically raise rent for a regular seasonal worker. If this is a regular seasonal worker for whom the MPHA anticipates income, the MPHA should monitor its own staff and procedures rather than requiring the tenant to do so.

MPHA RESPONSE: This is a 2009 comment wherein MPHA stated it is the tenant's responsibility to timely report their income and MPHA declines to make this change.

100. Page 55

4. F. 3. This section cites the federal regulation permitting annualization of income in specific circumstances, 24 C.F.R. § 5.609 (d) (2009). The regulation does not permit the MPHA to say three (3) interims and no further rent adjustments. The law does not limit the number of interim income re-examinations at all. This section must be revised to comply with the law. Choosing to pursue this policy puts the MPHA at risk of using its resources to defend legal challenges to this policy.

MPHA RESPONSE: MPHA will revise to state: "MPHA will annualize the rent of a tenant at the third interim rent changes."

101. 4. G. This section states that a person who on leave from work and presumably earning less or no income will not receive an adjustment in rent unless the Manager or Supervisor Leasing and Occupancy decides to provide one. The section proposes the same treatment for "temporary reduction of benefits", without defining what that phrase means. This is *ad hoc* decision making without clear guidelines to ensure fairness and as such is not good policy. This is not what the law requires for tenant based rent calculations. Pursuing this policy puts the MPHA at risk of using its resources to defend legal challenges to this policy.

MPHA RESPONSE: MPHA will revise to state: “Rent will not change for a tenant who is on leave from work or experiences a reduction in income for more than 30 days and less than 110 days. However, the Manager or Supervisor of Leasing and Occupancy will approve a rent credit adjustment for the loss of income. MPHA will not make a rent credit adjustment if the loss of income is less than 30 days.”

Part XI

Lease Terminations

102. Page 58

1. This language needs to be revised further. A tenant absent from the unit due to an unexpected illness, family emergency or other unanticipated event is often unable to give the MPHA 30 day written notice of the absence. This section also needs to clarify what factors the MPHA will consider to decide if it will terminate the lease when the Head of Household is absent more than 60 days. Simply saying the MPHA may terminate without any notice of what factors will be part of that MPHA decision appears arbitrary and places the MPHA at risk of using its resources to defend against legal challenges to its actions pursuant to this policy.

MPHA RESPONSE: MPHA will delete the delete the term “30-day” and will require advance written notice and replace 60 days with 90 days.

Part XII

Tenant Grievance Procedures

103. Page 60

I.C. 4) This exception to the grievance procedures must be deleted. It is not listed in 24 C.F.R. § 966.51 (2009). The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

MPHA RESPONSE: MPHA will delete 1.C.4.

104. Page 61

1. C. 6) This exception to the grievance procedure for persons who have had an informal hearing and then requested a reasonable accommodation or VAWA protection must be deleted. It is not listed in 24 C.F.R. § 966.51 (2009). The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

MPHA RESPONSE: MPHA will revise to state: "A tenant who requests a reasonable accommodation or VAWA protection after the Formal Hearing for a lease termination for the purpose of contesting the results of the Formal Hearing, except when MPHA did not properly inform tenant of their right to request the reasonable accommodation or VAWA protection."

105. 1. C. 8) This exception to the grievance procedure must be deleted. It is not listed in 24 C.F.R. § 966.51 (2009). It also is not an exception to the grievance procedure in the Violence Against Women Act (VAWA) itself. Last year when this was pointed out to the MPHA, the MPHA stated that it "will clarify this." The policy remains unchanged. The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

MPHA RESPONSE: MPHA will delete 1. B. 1) and 3).

106. Page 63
1. E. 2) The SOP procedure for the informal settlement conference must contain a reference to the free interpreter service that the MPHA will provide to LEP persons as well as the MPHA's obligations to provide interpreters or auxiliary aids for communication for those with vision and hearing impairments. 24 C.F.R. §§ 8.6 and 966.7 (2009).

MPHA RESPONSE: As stated before, MPHA declines to make this change.

107. 2. E. 2) b) This section must be revised. The informal settlement proceeding is provided by 24 C.F.R. § 966.54 (2009). The law does not limit the tenant's or the MPHA's ability to bring witnesses to the meeting as the MPHA's language does by limiting participants. The interest that either party may have in privacy would only the attendance to those that either party find relevant to settlement of the grievance. The MPHA has responded to this issue last year by stating that a tenant may present witnesses and evidence at the formal hearing. This is certainly true. But this is not a justification for preventing information gathering at the informal settlement conference that might render a formal hearing unnecessary and thus save the MPHA resources. The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

MPHA RESPONSE: MPHA will add: c) a tenant may present documentary and hearsay evidence at the informal settlement conference.

108. Page 61

2. F. 1) a) This section must be deleted. There is no legal basis for requiring that a tenant must request and attend an informal settlement as a condition precedent to a formal hearing. The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

MPHA RESPONSE: Please see 24. C. F. R. 966.54 & 966.55. MPHA declines to make this change.

109. Page 65

2. F. 7) The process of the Formal Hearing for a tenant should state the right to make a record of the hearing at the party's own expense. There should be no obligation for the party creating the record to provide a written transcript of the record, although making a copy of the record available for purchase by the other party should be included. An audio-taped record, as the MPHA has provided for at various other points in its own SOP and Section 8 Administrative Plan is relatively inexpensive. It is basic due process. The MPHA can allow for in this section without incurring any cost to the MPHA. Failure to provide for a record at a party's own expense will not prevent this issue from arising in the future, likely in the context of an appeal and possibly in an affirmative lawsuit. The MPHA could avoid the risk of using its resources to respond to the issue in the future, by making this change now.

MPHA RESPONSE: Please see the answer to #58. MPHA will insert similar language in this section.

110. Page 61

2. F. 8. This section of the SOP should cross-reference the Hearing Rules in Appendices J and K of the SOP so the reader is informed of all the procedures that the MPHA will impose in its hearings.

MPHA RESPONSE: MPHA will insert a reference to Appendices J and K.

111. 2. F. 8. c.) This section should include the rights of the LEP person to free interpreter services and the rights of those with hearing and vision impairments to appropriate communication aids or interpreters.

MPHA RESPONSE: As stated many times before, MPHA declines to make this change.

112. 2. F. 9) b) This section should be revised to replace "reasonable time" with a definite time period. The proposed language is too vague for both parties, especially with significant appeal rights in play. The resident needs to know when a Board of Commissioners' review will occur. Any time line proposed must take into account the applicable state and federal laws.

MPHA RESPONSE: MPHA will state: “Board of Commissioners will review the matter within the next two Board Meetings. MPHA will notify the tenant of the date of the Board review and will send the Board decision to the tenant within ten days.”

113. Page 67

2. H. A change to the grievance procedures should result in a public notice period to the community and not just to tenant organizations within the MPHA. The community may have valuable input for the MPHA and its Board of Commissioners in regard to the MPHA grievance procedures.

MPHA RESPONSE: MPHA declines to make this change.

114. Page 68

2. I. 3 The timeline here must be revised. If the decision is mailed, part of the ten (10) days in this proposed section will be used for delivery so it should be revised to extend the time to take that into account. The MPHA's refusal last year to extend this timeline to allow for mailing/delivery of the MPHA's reasonable accommodation denial contains no justification for its refusal. If the MPHA cannot articulate a basis for the ten (10) days as written there is no harm to the MPHA by providing adequate time for the tenant to receive the denial, consider it, perhaps consult with his case manager or advocate, and then decide whether or not to appeal. The suggestion that the timeline include 3 days for mailing/delivery is reasonable and this section should be revised accordingly.

MPHA RESPONSE: This section gives the tenant ten working days, which is a minimum of 12 days. MPHA declines to make this change.

115. 2. I. 6) This section needs to be revised. Pursuant to 24 C.F.R. § 966.7 (2009) a tenant may request a reasonable accommodation at any time during his tenancy. This provision as written does not comply with the law. This provision also contradicts the provisions of the reasonable accommodation policy in Part XXI, page 99, of the SOP. The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

MPHA RESPONSE: MPHA agrees that a tenant may request a reasonable accommodation at any time however, a tenant is not entitled to repetitive grievance procedures. MPHA will amend to state: “A tenant may not request the grievance procedure when the tenant asks for a reasonable accommodation after the Formal Hearing for a lease termination for the purpose of contesting the results of the Formal Hearing. However, a tenant may request a grievance procedure if MPHA did not properly inform tenant of their right to request the reasonable accommodation.”

Part XV

Parking Policy (Highrise)

116. Page 72

2. The voting process used in any building must provide for meaningful participation by those residents who are LEP persons, with appropriate free interpreters and translated documents. The MPHA's response last year that it will comply with its LEP Policy is not helpful since the LEP Policy is legally insufficient and not even referenced in this section.

The voting process must also be revised to meet the requirements for communication with those residents who are vision impaired or hearing impaired. This guarantee must be stated in this section and not assumed.

MPHA RESPONSE: MPHA declines to make this change.

Part XV Post Orders

117. Page 77

I.C. A tenant who expects the MPHA to assist in his/her enforcement of an Order for Protection or a No Contact Order will give the MPHA a copy of the Order, the MPHA must provide the Order to the security guard it hires with appropriate instructions. Appropriate action in these instances would not be to merely write up a report. The guard must call the police because the person named on the Order has violated the court order and is subject to arrest. This section must be revised accordingly.

MPHA RESPONSE: MPHA declines to make this change.

Part XVIII

Rent Collection Policy

118. Page 87

1. C. This section is incorrect. The MPHA cannot collect rent for the month that has not yet accrued within its demand for rent "including the month(s) after the date of the lease termination notice." See, 24 C.F.R. § 966.4(1) (3) (2009). The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

MPHA RESPONSE: MPHA will delete this language.

119. 1. D. This section is incorrect. The eviction complaint filed cannot claim rent for any month for which the MPHA has failed to comply with its 14 day notice requirements under 24 C.F.R. §

966.4 (l) (3) (2009). 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 this change.

120. 1. F. The final sentence in this sentence must be revised. It is possible that the Writ of Recovery may be quashed for reasons that will ultimately result in a finding by the Court that no rent is due or less rent is due than the amount alleged in the complaint by the MPHA.

MPHA RESPONSE: MPHA will amend to state “the Tenant is obligated to pay the amount owed unless orders otherwise.”

121. Page 89

This section or section 6 *infra* concerning the hearing in Revenue Recapture cases should cross-reference Appendix K containing the Hearing Rules. The reader should be informed of all the procedures and rules the MPHA will impose in these hearings.

MPHA RESPONSE: MPHA will reference Appendix K.

122. Page 90

6. d. This is precisely the record making provision that should occur in the admission appeal hearing procedure (Part II, at page 28 of the SOP discussed at page 10 *supra*) and the formal hearing procedure (Part XII, at page 65 of the SOP discussed at page 23 *supra*). There is no compelling reason offered by the MPHA for including it in this type of hearing but no other. The other hearing sections cited here should be revised accordingly.

MPHA RESPONSE: MPHA will revise this section to state: “Either party may make a record of the hearing at their own expense.”

123. 6. f. This is precisely the statement regarding the MPHA's LEP services obligation for free interpretation that is missing from the admission appeal hearing (Part II, at page 28 of the SOP discussed at page 10 *supra*), the Informal Settlement Conference procedures (Part XII, E. at pages 63-65 of the SOP discussed at page 23 *supra*), the Formal Hearing procedures (Part XII, at pages 65-68 of the SOP discussed at page 23 *supra*). There is no compelling reason offered by the MPHA for including it in this type of hearing but no other. The other hearing sections cited here should be revised accordingly.

MPHA RESPONSE: MPHA will delete this section.

124. 7. c. This section should be revised to replace "reasonable time" with a definite time period. The proposed language is too vague for both parties, especially with significant appeal rights in

play. The resident needs to know when a Board of Commissioners' review will occur. Any time line proposed must take into account the applicable state and federal laws.

MPHA RESPONSE: MPHA will amend and state: "The Board of Commissioners will review the matter within the next two Board Meetings. MPHA will notify the Tenant of the date of the Board review and will send the Board decision to the Tenant within ten days."

125. Page 91

10. The notice process in this section should allow for notice to more than tenant organization. The community may have valuable input for the MPHA and its Board of Commissioners in regard to the MPHA's Revenue Recapture Procedures.

MPHA RESPONSE: MPHA declines to make this change.

Part XIX

Death of a Resident Vacate

126. Page 92

5. The MPHA is bound by the terms of Minn. Stat. § 504B.271, subdiv. 1 (2008) regarding disposal of abandoned property. This section must be revised accordingly. 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 this change.

Part XX

Limited English Proficiency (LEP) Plan

127. The MPHA should obtain and use the translated documents that HUD has translated available at: <http://www.hud.gov/offices/fheo/promotingfh/lep.cfin> . We have requested this in the past and MPHA's response was to thank us for the suggestion but our clients have yet to see any of these documents in use. These documents are free so we cannot imagine why the MPHA refuses to make use of these free resources.

MPHA RESPONSE: Thank you.

128. MPHA should pursue collaboration with the other members of the Fair Housing Implementation Council (EHIC) who are working on LEP issues and working together on efforts to translate vital documents for use with their LEP constituents. We have made this suggestion in the past and the MPHA's response was to thank us but our clients have not seen any of the documents developed by the other housing providers in the FHIC in use by the MPHA. We

cannot imagine why the MPHA refuses to make use of these free resources that we see in use in other housing programs.

MPHA RESPONSE: Thank you.

129. Page 93

B. 5. Limited English Proficiency (LEP)

The last sentence of this Paragraph must be deleted. The definition of a LEP person in sentence 1 of this Paragraph paraphrases the HUD Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (hereafter HUD Guidance) issued January 22, 2007. 72 Fed. Reg. 2732, 2740 col. 1 (Jan. 22, 2007). The definition in HUD Guidance and sentence 1 of this Paragraph would include as a LEP person someone who does not speak English as her primary language and speaks English proficiently but has a limited ability to read or limited ability to write English.

MPHA RESPONSE: MPHA declines to make this change.

130. Page 94

C. Offer Of Free Language Assistance

Revise the second sentence by deleting: ". . . and MPHA determines that the client is LEP . . . ". The determination of who is LEP is not the MPHA's decision. The HUD Guidance specifically answers the question of who is LEP at 72 Fed. Reg. 2732, 2737 col. 2 (Jan. 22, 2007): "HUD and its recipients do not determine who is LEP. The beneficiaries of the services and activities identify themselves as LEP."

MPHA RESPONSE: This is a 2009 comment and MPHA declines to make this change.

131. Delete the final sentence, "If reasonably possible . . . preferred language." of this Paragraph. The MPHA must provide free language assistance to a LEP person in the LEP person's self-identified primary language to fulfill its legal obligations.

MPHA RESPONSE: This is a 2009 comment and MPHA declines to make this change.

132. **D. 2. a. Translation of Documents**

The standard created in this Paragraph for translation of vital documents is incorrect and must be changed. After applying the four factors set forth in the HUD Guidance to determine what mix of free language assistance is required, the MPHA may use the "safe harbor" provided in the HUD Guidance regarding required translation of documents. The standard is written translation of vital documents for each eligible LEP language group that is 5% or 1,000 persons, whichever is less, of the population of persons likely to be served, affected or encountered by

the MPHA. 72 Fed. Reg. 2732, 2745 col. 1 (Jan. 22, 2007). The HUD Guidance standard for written translation is also graphically displayed in a table at 72 Fed. Reg. 2753 (Jan. 22, 2007). The 10% in the proposed Paragraph is incorrect. The group measured in the proposed Paragraph, the "MPHA's public housing tenants and Section 8 recipients", is the incorrect population group to survey as well.

MPHA RESPONSE: MPHA will change the 10% to 5% and declines to make other changes. .

133. This Paragraph should also state the MPHA's obligations for those language groups who are too few in number to make written translation of vital documents a necessity, yet to whom the MPHA still has legal obligations to provide free language assistance. For those groups the HUD Guidance allows the MPHA to provide written notice in the primary language of the LEP group of the right to receive free competent oral interpretation of the written vital documents. 72 Fed. Reg. 2732, 2745 and 2753 (Jan. 22, 2007). This right should be clearly stated in this Paragraph so LEP persons in those smaller language groups know that the MPHA is legally obligated to provide them with free meaningful access to MPHA services, programs, benefits and encounters as well.

The only response the MPHA has made to our comments on this section is to add "applicants" to it. While that addition was necessary it is not a sufficient revision to make this section comply with the law.

MPHA RESPONSE: MPHA declines to make the changes.

134. Page 95

D. 2. b. Translation of Documents

This Paragraph must be revised. The legal obligation to translate vital documents is mandatory not discretionary. Sentence 1 of this Paragraph should read: "MPHA must translate vital documents." MPHA said last year that it "will" make the revisions but this section remains unchanged.

MPHA RESPONSE: MPHA will replace "may" with "will."

135. This Paragraph refers to "Paragraph 6.B. Meaningful Access" as part of the MPHA's criteria to determine which documents are vital and thus must be translated. The HUD Guidance states that the determination of what documents should be translated also requires consideration of: "the importance of the program, information, encounter or service involved, and the consequence to the LEP person if the information is not provided accurately or in a timely manner. . . . Lack of awareness that a particular program, right or service exists may effectively deny LEP persons meaningful access." 72 Fed. Reg. 2732, 2744 col. 1 and 2 (Jan. 22, 2007).

These two factors from the HUD Guidance should be included in this Paragraph or should be added to Paragraph 6.B.

MPHA RESPONSE: MPHA declines to make this change.

136. **D. 2. c. Translation of Documents**

The consideration of the lifespan of a document in a decision whether or not to translate a document is included in the HUD Guidance. 72 Fed. Reg. 2732, 2744 col. 3 (Jan. 22, 2007). However this Paragraph goes beyond inclusion of the document's lifespan as a factor in the decision to conclude that a list of 5 documents are not vital and will not be translated on the basis of the singular factor of cost effectiveness due to likely lifespan. Those five documents listed in this Paragraph should be translated according to the HUD Guidance because of the document's importance and the consequence each presents to the LEP person receiving it. Many of the 5 documents listed in this Paragraph are on the list of vital documents listed in the HUD Guidance discussion of what written materials could be considered vital. 72 Fed. Reg. 2732, 2744 col. 1 (Jan. 22, 2007).

If the MPHA is going to categorically exclude the 5 documents listed in this Paragraph from what documents the MPHA will translate, then this Paragraph should state that the MPHA will provide LEP persons with free competent oral interpretation of the written documents. In addition, each document listed should provide the information in the LEP person's primary language regarding where the LEP person may obtain the free competent oral interpretation the MPHA will provide. 72 Fed. Reg. 2732, 2744 col. 2 (Jan. 22, 2007).

MPHA RESPONSE: Most documents include a language block and MPHA declines to make this change.

137. Page 96

D. 3. b. Formal Interpreters

The instances when the MPHA must provide free interpreters listed in this Paragraph should also include: points where the MPHA provides security information; points where the MPHA provides emergency plan information; applicant interviews; lease signing and orientation; income recertification meetings; Section 8 participant briefings; and hearings for denial of Section 8 admission. These additional occasions, like the four listed in this Paragraph, are instances in which "health, safety, or access to important housing benefits and services are at stake" and "credibility and accuracy are important to protect and individual's rights and access to important services". 72 Fed. Reg. 2732, 2743 col. 3 (Jan. 22, 2007).

MPHA RESPONSE: MPHA declines to make these changes.

138. **D. 4. b. Informal Interpreters**

Any waiver of free interpretive services from the formal interpreter provided by the MPHA to fulfill its legal obligation to provide free language assistance to the LEP person described in this Paragraph must include a certification signed by the interpreter stating that the form has been interpreted for the LEP person in her primary language. The consent must be informed consent.

The waiver consent form itself should be provided in the LEP Plan so that it is available for public comment. The MPHA's response that forms or procedures change and thus are not subject to public comment does not explain why the waiver consent form is not included in the LEP Policy. Even if the form does change including the version currently in use is possible and serves the community.

MPHA RESPONSE: MPHA declines to make these changes.

139. Page 96

D. 7. Document Use of Interpreter

The documentation referred to in this Paragraph should be done in every instance in interpreter is used.

This Paragraph should require that the documentation include the interpreter's name, address, phone number, language used, and employer if the interpreter is a formal interpreter. If an informal interpreter is used the documentation should include the informal interpreter's relationship to the LEP person. This documentation will not be any more onerous to MPHA staff that making file notes when the agency interacts with the LEP person. The information will allow the MPHA to use the same interpreter again with a LEP person, a practice that often helps speed interpretation and adds comfort for all the parties in the interaction. It will also give the MPHA useful information for the LEP Manager monitoring referred to in Paragraph J.

MPHA RESPONSE: MPHA declines to make any changes.

140. **D. 8. Vital Document**

HUD Guidance defines a vital document as "any document that is critical for insuring meaningful access to the recipient's [MPHA's] major activities and programs by beneficiaries generally and LEP persons specifically. Whether or not a document (or the information it solicits) is "vital" may depend upon the importance of the program, information, encounter, or service involved, and the consequences to the LEP person if the information in question is not provided accurately or in a timely manner." 72 Fed Reg. 2732, 2752 col. 1 (Jan. 22, 2007). This HUD Guidance definition should be incorporated into this Paragraph.

MPHA RESPONSE: MPHA declines to make any changes.

141. Page 97

F. Notice of Free Language Assistance For MPHA Business

The instances listed in this Section in which the MPHA will provide notice of free language assistance begin with the application form. The MPHA's obligations to LEP persons are broader than this Section is written and requires that the MPHA meet the language needs of LEP persons eligible in the geographic area served by the MPHA, particularly those least likely to apply for the MPHA programs without outreach activities. 72 Fed. Reg. 2732, 2748 col. 2 (Jan. 22, 2007). This Section must include how the MPHA will provide notice of free language assistance to LEP persons in the area in which the MPHA operates with includes the larger community, not just applicants and participants in MPHA's programs. The MPHA's response to this issue last year was a statement that the MPHA considers this when opening the waiting list. The experience thus far with the opening of the family public housing waiting list in June 2010 shows that despite whatever was considered, the MPHA did not meet the requirements of the law in this respect.

MPHA RESPONSE: MPHA opened its waiting list on two occasions and conducted significant outreach to the Somali, Spanish and Hmong speaking community and declines to make other changes.

142. MPHA's public communications, marketing, outreach activities, and offices accessible to the public must inform the public that the MPHA will provide free language assistance to LEP persons. Signs and resources to provide the public and LEP persons in those situations have been developed and used by the Social Security Administration and are listed in the HUD Guidance. 72 Fed. Reg. 2732, 2737 col. 3, 2752 col. 2 and 2746 col. 2 (Jan. 22, 2007). The MPHA's response last year to this point was that it would follow up on this. To date, the MPHA has not followed up with us on this point. A visit to the MPHA main office finds no signage about access to free language assistance or any way for a non-English speaker from the community entering the building to indicate the language needed or the purpose of the visit. If there has been any follow up, there has been no implementation of change.

MPHA RESPONSE: MPHA's reach does offer free language assistance. However, MPHA will post signage for 1001 Washington Avenue North.

143. 1F. 1. The application for public housing and Section 8 programs questions regarding need for language assistance is currently in English. Until the MPHA has translated these vital documents a more effective way to identify language needs would be the use of "I speak" cards available at no cost to the MPHA on the Department of Justice website. 72 Fed. Reg. 2732, 2737 col. 3, 2746 col. 1 and 2752 col. 2 (Jan. 22, 2007). The MPHA's response last year was to state that it had the "I speak" card referred to above. Many LEP clients and community members report that they have never seen these cards used by MPHA staff in the staff's interaction with them. If the MPHA has the cards now the MPHA must effectively use them.

The questions must not just ask for a LEP person's primary language and whether the person needs language assistance. The question must also include the statement that the MPHA will provide free language assistance. Failure to state that the assistance is free has a chilling effect on the self-identification by many LEP persons who are seeking services from the MPHA and do not want to appear to be a burden or to ask for anything that might be inappropriate for fear they will be judged negatively.

MPHA RESPONSE: MPHA has I Speak Cards. However, I speak cards are not needed when the client is able to communicate the language spoken. I Speak Cards are a tool not a requirement. Many documents including the application have a language block which states that MPHA offers free interpretive services.

144. F. 2. Informing LEP persons of free language assistance in their recertification letters as this point states the MPHA will do, supports adding recertifications to Paragraph 3.b. of the Plan as we have suggested *supra*.

If the recertification letter is in English then the letter should contain information that the MPHA will provide LEP persons with free competent oral interpretation of the written documents. In addition, the letter should provide the information in the LEP person's primary language regarding where the LEP person may obtain the free competent oral interpretation the MPHA will provide. 72 Fed. Reg. 2732, 2744 col. 2 (Jan. 22, 2007).

If the tenant has already been identified as a LEP person prior to the recertification, the MPHA should have the information needed to schedule an interpreter for the recertification meeting without an additional request from the LEP person or any additional delay.

This Paragraph should also state that eligibility technicians will have "I speak" cards so a client who does not understand the offer of free language assistance in the recertification letter in English may identify her primary language and language needs when she comes to that meeting.

MPHA RESPONSE: Thank you for your comments. MPHA has distributed I Speak Cards to Staff and will up with Staff on their availability and use.

145. F. 3. If the letter is in English then the letter should contain information that the MPHA will provide LEP persons with free competent oral interpretation of the written documents. In addition, the letter should provide the information in the LEP person's primary language regarding where the LEP person may obtain the free competent oral interpretation the MPHA will provide. **72 Fed. Reg. 2732, 2744 col. 2 (Jan. 22, 2007).**

In each of these instances, the MPHA staff designated for contact from the LEP person must have "I speak" cards so the LEP person can identify her primary language. The staff member must also have the authority to obtain interpreter services to provide the free language assistance required.

MPHA RESPONSE: Please see responses to the other LEP comments. MPHA has distributed I Speak Cards to Staff and will follow up with Staff on their availability and use and declines to make other changes.

146. F. 4. If the public housing monthly statement is in English then the statement should contain information that the MPHA will provide LEP persons with free competent oral interpretation of the written documents. In addition, the statement should provide the information in the LEP person's primary language regarding where the LEP person may obtain the free competent oral interpretation the MPHA will provide. **72 Fed. Reg. 2732, 2744 col. 2 (Jan. 22, 2007).**

Property managers must be given "I speak" cards so the LEP person can identify her primary language. This will be useful to property managers in all of their work with residents, not just in regard to questions about a tenant's monthly statement. Property managers must have the authority to obtain interpreter services to provide free language assistance required.

Rent payment issues often involve contacts with the Rent Collections Department staff. The Rent Collections Department staff should be given "I speak" cards so the LEP person can identify her primary language. Rent Collections staff must have the authority to obtain interpreter services to provide free language assistance required.

MPHA RESPONSE: Please see responses to the other LEP comments. MPHA has distributed I Speak Cards to Staff and will follow up with Staff on their availability and use and declines to make other changes.

147. F. 6. This Paragraph states that the MPHA will make a language identification flashcard available to staff. There is no timeline for this to be accomplished. There is no requirement that the staff be required to use it. Many LEP persons who would benefit from such a tool report never having seen one in use by the MPHA staff person with whom they interacted.

MPHA RESPONSE: Please see responses to the other LEP comments. MPHA has distributed I Speak Cards to Staff and will up with Staff on their availability and use and declines to make other changes.

148. **2. Contract Language Assistance Vendors**

The Data Privacy Statement referred to in this Paragraph is not attached so it is not possible to comment on it. We request that the document be provided to the public.

The form that is developed must include a certification signed by the interpreter stating that the form has been interpreted for the LEP person in her primary language. The consent must be informed consent.

MPHA RESPONSE: MPHA will not provide forms for public comment.

149. **3. Private and Confidential Data**

Placing this Paragraph here implies that the "Waiver of Free Interpretive Services" form discussed *supra* at D.4.b. may also contain language concerning protection of private and confidential data. If there is nothing in the "Waiver" in this regard, then delete this Paragraph.

If there is anything in the "Waiver" form about treatment of private and confidential data then we need to see the form in order to adequately comment on it. We request that the document be provided to the public with a 30-day notice-and-comment period before it is adopted for use.

MPHA RESPONSE: MPHA will not provide forms for public comment.

150. **H.1. Collection of Language Information**

Application forms seek this information in English so it is quite likely that this is not the most accurate way to identify LEP persons and their primary languages. Revising this Paragraph to also require the use of "I speak" cards at applicant interviews, lease signing, and Section 8 briefings and requiring the documentation of the self-identification of LEP persons and their primary languages would improve the MPHA's collection of accurate information about language needs.

MPHA RESPONSE: MPHA declines to make the change.

151. Page 98

I. MPHA Staff Training

I. 2. New employees should not only be informed of the MPHA's LEP obligations but should also be given a copy of the MPHA's LEP Plan.

MPHA RESPONSE: Annually MPHA provides a copy of the newly adopted SOP to property management staff and provides explanation of updates. Not all new employees require training on the LEP Plan.

152. I. 3. The MPHA stated in October 2009 that the last training at which LEP issues were included was February 2009. If the MPHA takes this opportunity to make the revisions to its LEP Policy to bring it into compliance with the law then new training on the corrected Policy would be in order.

The MPHA has stated that its training is done by its Legal Department staff. There are many community resources that serve LEP persons and that provide language services from which the MPHA should request input and assistance with training its staff.

MPHA RESPONSE: MPHA will consider additional LEP training along with its other training.

153. I. 4. Add: "f. How to work with an interpreter." The information in the MPHA's LEP Plan at Paragraph E contains important but basic information. The training of staff should augment the information in Paragraph E, preferably with the input of one or more professional interpreters from the community providing the information to the MPHA staff and answering questions at the training. We made this suggestion last year and the MPHA stated it declined. This position does little to build coalitions with community interests or make use of resources that the MPHA does not have.

MPHA RESPONSE: The LEP training was based upon training provided by professional interpreters.

154. I. 6. This section should be renumbered to 1.5. This section states that the MPHA will make language identification flashcards available to staff. We assume this refers to the "I speak" card from the Department of Justice website as noted in the HUD Guidance. 72 Fed. Reg. 2732, 2737, 2746 and 2752 (Jan. 22, 2007). The MPHA stated last year that it has these cards but many LEP persons who would benefit from such a tool report never having seen one in use by the MPHA staff person with whom they interacted.

MPHA RESPONSE: MPHA will make this change.

155. **J. Monitoring**

Has the MPHA LEP Manager changed since last year? If so, please provide his or her name.

The MPHA stated last year in response to our query that the LEP Managers' periodic review is semi-annual. It is remarkable that those reviews continue and have yet to result in any revisions in response to the many issues we have raised to which the MPHA's only response was to decline.

MPHA RESPONSE: The LEP manager is the same. MPHA will change the 10% to 5%.

156. J. 3. See our comments on Paragraph D.2.a. *supra* regarding the need to correct the percentages used for the MPHA's translation obligations to conform to HUD Guidance. Correct this Paragraph accordingly as well.

MPHA RESPONSE: MPHA changed from 10% to 5%.

157. Add: "4. Soliciting feedback from members of the community the Plan serves." HUD Guidance suggests this as a good factor for evaluation and encourages community input throughout the evaluation process. 72 Fed. Reg. 2732, 2746 (Jan. 22, 2007). Despite the numerous refusals to make changes we remain hopeful that the MPHA or its Board will direct the MPHA staff to take advantage of resources and make changes that will bring the LEP Policy into compliance with the law in order to better serve the LEP communities the MPHA Plan should serve.

MPHA RESPONSE: The LEP Policy goes out for a public and tenant 30-day comment period every year. Also, the LEP Policy is on MPHA's website.

158. **K. LEP Plan Distribution and Public Posting**

Add: "4. Provided within three (3) business days in response to a request for a copy of the LEP Plan received at the MPHA's office at 1001 Washington Avenue N., Minneapolis, MN." Not everyone affected by the MPHA's LEP Plan is an applicant, resident or participant for whom options 1 and 2 of this Paragraph would provide access. Not everyone affected by the MPHA's LEP Plan has Internet access for whom option 3 of this Paragraph would provide access. The MPHA's response to this request is inadequate. The MPHA states the Plan is a public document and will be disclosed subject to the Minnesota Government Data Practices Act. This makes the LEP plan less rather than more accessible for reasons that are not stated by the MPHA. Our suggestion should be added instead.

MPHA RESPONSE: MPHA declines to make any changes.

159. **L. Conflict and Scope**

It appears that in this section the MPHA is trying to state what controls when there is an internal conflict of its policies. If that is the purpose of this section then the MPHA's language in its Reasonable Accommodation Policy, Part XXI, Paragraph 1.0 at page 99, is clearer language dealing with conflicts.

The final sentence of this section of the LEP Policy stating that this Policy is a standard to which the MPHA "aspires" creates the impression to the LEP communities in our area that the MPHA's LEP Policy is less than the legal obligations of the MPHA. These are legal requirements not hortatory or aspirational goals to shoot for and for which there are no legal consequences if the goal is not attained.

MPHA RESPONSE: MPHA declines to make any changes.

160. **Part XXI**
Reasonable Accommodation Policy

The Policy should be reviewed and examples given from a wider perspective than only those of an applicant or resident with mental health disabilities. People with physical disabilities and people with cognitive disabilities may also use this Policy. The reader of the SOP, including MPHA staff members, should not be encouraged to assume that reasonable accommodations are only used by people with mental health disabilities.

MPHA RESPONSE: MPHA declines to make the change.

161. Page 100

3.4 Revise this section to correctly state the exclusion of 24 C.F.R. § 100.201 (a)(2) (2008) for current illegal use of controlled substances. The regulation does not exclude from coverage those addicted to a controlled substance if they are not engaging in current illegal use of the controlled substance. The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

MPHA RESPONSE: MPHA will make this change.

162. Page 102

4.2 (c) Revise this section to properly state the standard for the "direct threat exemption" from the reasonable accommodation coverage of the Fair Housing Act and the ADA provisions. The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

MPHA RESPONSE: MPHA will delete the person's own health or safety and add another reason that states: "the accommodation will create an unsafe condition."

163. **11.1** This section is inconsistent with the proposed changes to the transfer policies in the SOP. As noted regarding Part VIII *supra* in this letter at page 19, one offer as proposed is not appropriate and the transfer policy should be changed to be consistent with this section.

MPHA RESPONSE: MPHA will change this section to one suitable unit and change refusals to refusal. MPHA will conform this language with Part VIII at 2.D.

164. Page 106

17.0 This section must be revised to allow notice of amendments to the community and all tenant organization within the MPHA to solicit their comments. The community may have valuable input for the MPHA and its Board of Commissioners in regard to the MPHA reasonable accommodations procedures. The MPHA's response to this suggestion last year was to state that the Policy is part of the SOP and the SOP is out for comment annually. However, this section states that the Reasonable Accommodation Policy may be revised outside the SOP

revision process so notice and comment must be more than only that provided for the SOP itself.

MPHA RESPONSE: MPHA will delete Section 17.

165. **Part XXII
Violence Against Women Act Policy**

MPHA needs to review its VAWA Policy to see where LEP issues will play a role in full implementation of the requirement of VAWA. HUD has translated the VAWA Certification of Domestic Violence, Dating Violence or Stalking, Form HUD-50066 into 11 languages. See, <http://www.hud.gov/offices/adm/hudclips/forms/files/5006-langs.pdf>. MPHA should make certain these translations are available to its LEP applicants and participants. MPHA should make every effort possible, perhaps in collaboration with other housing provider members of the Fair Housing Implementation Council (FHIC), to translate the Certification form into other languages particular to the MPHA's service area and identified by implementation of the HUD LEP Guidance, 72. F.R. 2732 (Jan. 22, 2007).

MPHA RESPONSE: Thank you for the comment.

166. The MPHA is required by the VAWA, 42 U.S.C. § 1437f (ee) (2) (B) (2009), to provide Notice to Applicants, Participants and Owners in the Section 8 Housing Choice Voucher Program of the provisions of the VAWA. These Notices must be incorporated in the Administrative Plan as an Exhibit or as part of the VAWA Policy in the Administrative Plan. These required Notices are not contained in the Draft Administrative Plan at any point so the public has not been able to review and comment on them. Please send us a copy of these Notices as soon as possible so we may review them and have our comments and the MPHA responses included in the MPHA's presentation to the Board of Commissioners on September 22, 2010.

MPHA RESPONSE: MPHA will provide a copy of the notice to Legal Aid. Like other forms, this form is not subject to public comment.

167. Page 108

3.3 Domestic Violence: Correct the citation at the conclusion of this paragraph to include 42 U.S.C. § 13925(a)(6) (2008).

MPHA RESPONSE: MPHA will correct the citation.

168. Use the text of the definition of "Domestic Violence" in the Statement of Policies, Part I Definitions, page 11. Although the VAWA Policy is incorporated by reference into the Statement of Policies by Paragraph 2.0 of the VAWA Policy, many applicants, residents and community members will look to the Part I Definitions section of the Statement of Policies first.

MPHA RESPONSE: In the SOP definition, MPHA will refer to Part XXII, definitions.

169. Revise this paragraph so that is clear to the reader that immediate family members in the household who are the victims of domestic violence, dating violence or stalking are also protected by VAWA like applicants, residents and participants in MPHA programs. It must be clear that the protections of VAWA are available to these household members just as they are to the head of the household or signer of the lease or they will not know to ask for their statutory rights.

MPHA RESPONSE: Your comment is unclear and therefore, MPHA declines to make the change.

170. Make sure that the same definition of "Immediate Family Member" is used in the Statement of Policies, Part I Definitions, page 14. This will clarify MPHA policies and legal protections for victims of abuse. Although the VAWA Policy is incorporated by reference into the Statement of Policies by Paragraph 2.0 of the VAWA Policy, many applicants, residents and community members will look to the Part I Definitions section of the Statement of Policies first.

MPHA RESPONSE: MPHA will add this term to SOP and reference the VAWA policy.

171. **3.9 Stalking:** Revise to conform to statutory language so the text is: "... (c) in the course of, or as a result of such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of death of, or serious bodily injury to; or ..." The MPHA agreed to this change last year but it remains unchanged.

Use this corrected definition of "Stalking" in the Statement of Policies, Part I Definitions, page 20. This will clarify MPHA policies and legal protections for victims of abuse. Although the VAWA Policy is incorporated by reference into the Statement of Policies by Paragraph 2.0 of the VAWA Policy, many applicants, residents and community members will look to the Part I Definitions section of the Statement of Policies first.

MPHA RESPONSE: MPHA will make the changes in the first paragraph and will refer to definitions and Part XXII.

172. Page 109

Correct by adding after the final sentence in the paragraph this missing statutory authority: 42 U.S.C. § 1437d(u)(l)(l)(A)&(B).

MPHA RESPONSE: MPHA is unclear as to which paragraph is missing the citation and therefore declines to make the change.

173. **4.2 Certification:** Revise this section to conform to statutory language by revising this paragraph to: delete "A person who is claiming victim status shall provide to the MPHA . . . ". Correct with the statutory language "An individual may satisfy the certification requirement in

section 4.1 by providing the MPHA with . . . ". Add the statutory authority after final sentence in the paragraph: 42 U.S.C. § 1437d(u)(l)(C).

MPHA RESPONSE: MPHA declines to make the changes.

174. Page 111

5.7 This paragraph as written exceeds the authority granted to the MPHA by Congress in the VAWA statute. To conform to statutory language, this paragraph must be revised to read: Nothing in Sections 5.1, 5.2, and 5.3 limits MPHA, an owner or manager's authority to evict or terminate from assistance, any tenant if the MPHA, owner or manager can demonstrate an actual or imminent threat to other tenants or those employed at or providing service to the property if that tenant is not evicted or terminated from assistance. 42 USC § 1437d(l)(6)(E); 42 USC § 1437f(c)(9)(C)(v). The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

MPHA RESPONSE: MPHA will delete guest or others from this section.

175. **5.8** This paragraph misstates the MPHA's statutory authority under VAWA. To conform to VAWA's language, this paragraph of the VAWA policy must be revised to read: "Nothing in Sections 5.1, 5.2 or 5.3 limits MPHA, an owner or manager's authority to terminate assistance to individuals who engage in criminal acts of physical violence against family members or others. 42 U.S.C. § 1437f(o)(20)(D)(i). The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

MPHA RESPONSE: MPHA will amend to state: "Nothing in Sections 5.1, 5.2 or 5.3 limits MPHA, an owner or manager's authority to terminate assistance to individuals who engage in criminal acts of physical violence against family members or others." 42 U.S.C. § 1437f(o)(20)(D)(i).

176. **6.0 Health, Safety and the Right to Peaceful Enjoyment of the Premises:** This paragraph imposes obligations on the people protected by the VAWA provisions that are not required by the law. VAWA specifically states that the MPHA is not required to demand that an individual produce official documentation or physical proof that he or she is a victim in order to receive the benefits of VAWA. 42 U.S.C. § 1437d (u)(l)(D). VAWA does not require that the victim take any action against her abuser including obtaining court orders. The MPHA leases describe a tenant's obligations. The second and third sentences of this Paragraph propose additional tenant obligations for victims of domestic violence, only because they are victims of abuse, which are more demanding standards than those applied to other tenants. This Paragraph seeks to impose unnecessary and punitive burdens upon victims unless the second and third sentences are deleted. This paragraph must be revised by: Delete the second and third sentences in this Paragraph from "The victim shall . . ." through ". . . reasonable measures." 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 change.

177. **8.0 Grievance Procedure:** There is nothing in the federal statute authorizing the MPHA to limit an applicant's, resident's or participant's right to a due process hearing to dispute the adverse action of the MPHA's denial of VAWA protection. Delete this proposed revision. The MPHA's choice to adopt this policy risks use of MPHA resources to defend legal challenges to it.

MPHA RESPONSE: MPHA did not propose any revisions to this section.

178. Page 112

10.0 Reporting Requirements: Policies serving needs of domestic violence victims and services to meet the goals outlined in this Paragraph should be developed immediately. The MPHA's initial efforts in this regard in its Five Year Plan should be continued and new goals and plans to accomplish them formulated with the domestic violence service providers and community members who have assisted the MPHA thus far.

MPHA RESPONSE: Thank you.

179. **11.0 Amendment:** The rights provided by VAWA are essential to the safety of families seeking and living in MPHA housing programs. Changes in the MPHA's VAWA policy should not be made without the following: (1) notice of proposed changes to the community advocates and MPHA service providers given notice of the MPHA's MTW Annual Plan; (2) 30 days for input and comments from those stakeholders and the community; and (3) public hearing before the MPHA Board of Commissioners before adoption of the proposed changes.

MPHA RESPONSE: MPHA will delete section 12.0 Amendment.

Appendix C

Sales and Service

180. Page 126

13. Excess Utility Consumption: As we asked last year, once again we ask: How does the MPHA measure this? Last year the MPHA responded that it declined to describe the process in the SOP. To date, the MPHA has not bothered to describe it anywhere else, so we ask once more upon what "conservative consumption levels" (MPHA's term) are these charges based and how is excess consumption determined prior to assessing a tenant these charges?

MPHA RESPONSE: MPHA reviewed average consumption of electricity for air conditioners. MPHA will also review manufacturer's estimates of the cost of the electrical consumption. Water and sewer are based upon 70 gallons per day.

181. 12. Miscellaneous Charges: Transfer fees: See comment regarding these fees *supra* on page 19 regarding Part VIII in this letter.

MPHA RESPONSE: See our response.

Guidelines For Determining Wear And Tear

182. Page 128
6. The citation to the Minnesota landlord-tenant statute is incorrect.

MPHA RESPONSE: MPHA will delete the citation.

Appendix "E"

Special Housing Situations

183. Page 138
2. Special Housing/Supportive Services Programs: This section needs extensive revision. It must tell the readers how one may apply for any of the Special Housing listed in this section. The lack of any information here might lead one to conclude that it is the usual public housing application process only, but the MPHA stated last year "Each special program has its own admission procedures and policies." To be useful this section should clarify that as the MPHA stated last year, it "determines eligibility and qualifications for public housing but not for admission to special programs."

The SOP should give the reader the contact information for each special program/provider to get the admission procedures and policies from them. It has been the experience of many people in the community that it is impossible to get into any of these Special Housing Programs without the help of both a case manager/social worker and an attorney. This cannot be what the MPHA or its vendor community service agencies administering these programs intend. The SOP should not only list these Programs but contact information as noted *supra* in the SOP.

MPHA RESPONSE: MPHA will consider revising this section.



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October 26, 2010

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Re: Draft Section 8 Administrative Plan 2011

Dear Mr. Lutz, Ms. McCorvey, Ms. Abrahamson, and Ms. Kubic:

The Legal Aid Society of Minneapolis represents low-income residents of Hennepin County. Many of our clients are participants in and applicants to the Minneapolis Public Housing Authority's (MPHA's) Section 8 Programs. Our clients are interested in the MPHA Section 8 Housing Programs' operation since these programs are valuable housing resources in our community. On behalf of our clients we forward the following comments to the MPHA regarding its Draft Section 8 Administrative Plan 2011. We hope that this document will be revised to include these suggestions and corrections.

DRAFT SECTION 8 ADMINISTRATIVE PLAN 2011

Chapter 3 Eligibility

3-I. C. Family Break-Up And Remaining Family Member Of Tenant Family

- Page 3-3

The Draft Administrative Plan allows only one applicant family following an applicant break-up to remain on the waiting list. The Plan is silent; however, on the hearing rights of the applicant that MPHA has determined will be dropped from the waiting list after application of the factors listed in this section. The “dropped” family has a right to informal review of the MPHA’s action under 16-III.B. of the Administrative Plan and that should be referenced in this section.

RESPONSE: MPHA will amend policy to include the statement that the “dropped” family will have the right to an informal review as referenced in Chapter 16-III.B.

3-I. F. Dependent

- Page 3-5

The MPHA policy in this section regarding custody needs further revision. A court order granting physical custody of a child to a particular adult defines where the child lives. The court order uses the term “physical custody” not “primary custody” referred to in the Admin Plan. This section should use the term of art that is going to appear in the court documents that are the subject of this section.

RESPONSE: MPHA will amend policy and replace the term “primary custody” with “physical custody”.

3-II. D. Family Consent To Release Of Information

- Page 3-14

This section should be revised to not only name the agency the MPHA uses and to identify what criteria are provided to that agency for its screening of MPHA applicants. The MPHA’s choice to keep this information from the public and applicants puts the MPHA at risk of using its resources to defend legal challenges to it. This section conflicts with Appendix G. There numerous problems with Appendix G pointed out *infra*. This section must be revised as well as Appendix G.

RESPONSE: MPHA declines to cite name of screening agency as agency could change at any time. MPHA will revise Appendix G.

3-III. D. Screening

Screening for Eligibility

- Page 3-23

See our comments *supra* regarding section 3-II. D. Family Consent to Release of Information, Page 3-14, of the Draft Administrative Plan. This section also conflicts with Appendix G. This section and the Appendix both need to be revised.

Also this section has been revised to add that the MPHA will use the unnamed screening service at “any time deemed necessary”. The Plan need to be further revised to tell the community and applicants what instances of factors might cause the MPHA to conclude that such screening is “necessary” so the MPHA does not appear to be arbitrary or capricious.

RESPONSE: Appendix G will be revised to correlate more clearly with Appendix G. MPHA will replace “any time deemed necessary” with “whenever the PHA has a reasonable belief that a participant has engaged in fraudulent or criminal activity”

Screening For Suitability as a Tenant

- Page 3-24

The MPHA’s policy of disclosing current and prior addresses of a participant family to prospective owners must have an exception added to prevent the disclosure of the data for those participants covered by the VAWA. The reference to the VAWA Policy in Appendix F is insufficient since there is nothing in the VAWA Policy that speaks to this point. This section needs further revision or the VAWA Policy needs revision to address their specific point. A choice not to revise either place this section or Appendix F puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: MPHA will provide VAWA protection as appropriate and declines to make the specific recommended change.

3-III. E. Criteria For Deciding To Deny Assistance

Removal of a Family Member’s Name from the Application

- Page 3-26

This section must be revised to allow for the situation in which the current address of the culpable family member is not known by the applicant family. As written it imposes a requirement that some families will not be able to meet because the MPHA is requiring them to do the impossible and penalizing them when they fail.

RESPONSE: MPHA declines to make changes.

Chapter 4 Applications, Waiting List and Tenant Selection

Part III Selection For HCV Assistance

4. III. C. Selection Method

Local Preferences

- Page 4-10
Subparagraph A, in its description of substandard housing, fails to include in the list of features that would constitute substandard housing (i) the lack of a rental license which is required by Minneapolis Ordinance to collect rent, or (ii) the premises being in foreclosure. These two conditions should be added.

RESPONSE: MPHA will amend subparagraph A to include the statement “lack of rental license required by the City of Minneapolis; and will amend subparagraph G to include statements: “rental unit foreclosure” and “lack of rental license required by the City of Minneapolis”.

5-I. B. Briefing

- Page 5-2
The reference to the LEP Plan in Chapter 2 needs to be corrected to refer to the LEP Plan in Appendix D.

RESPONSE: MPHA will remove the reference to Chapter 2 and restate to refer to the PHA’s LEP Plan in Appendix D.

Briefing Packet

- Page 5-3
The Briefing Packet described in this section of the Draft Administrative Plan must provide for compliance with the MPHA’s LEP obligations beyond a cross-reference to the LEP Policy in Appendix D.

HUD has translated a number of Section 8 Voucher Program documents into 10 languages. These are available at <http://www.hud.gov/offices/fheo/promotingfh/lep.cfm>. In addition to making certain these translations are available the MPHA, perhaps in collaboration with other members of the Fair Housing Implementation Council (FHIC), should translate these and other vital documents into other languages identified as needed in this area by using the HUD LEP Guidance, 72 F.R. 2732 (Jan. 22, 2007), analysis.

The documents the MPHA should provide in translation should include: the Section 8 Application, the Application for Continued Occupancy, the Section 8 Lease Addendum,

the Statement of Responsibilities, the Section 214 Declaration, HUD 9886 form, and notices of proposed termination of assistance. The forms need to be in a LEP person's primary language because the forms are vital documents as defined by HUD's LEP Guidance, 72 F.R. 2732 (Jan. 22, 2007).

When considering the translation of documents the MPHA, perhaps collaboration with its fellow members of the Fair Housing Implementation Council (FHIC), should also consider that oral (taped) translations may be more effective than written translations for LEP populations with low literacy in their first languages, as well as less expensive for the MPHA.

The VAWA Notice that the MPHA will use should not be just a reference, but be attached as an Exhibit to this Chapter or to the VAWA Policy in Appendix F to the Draft Administrative Plan so the community may review and comment on it. The participants would also be well-served if the Briefing Packet included the toll free telephone number for the Domestic Violence Hotline.

RESPONSE: Thank you for your comments. We will continue to comply with Reasonable Accommodation and VAWA Policies.

- Page 5-4

The Briefing Packet must include not only the information concerning filing a fair housing complaint, but also information for the participant about his or her rights to reasonable accommodation so s/he may enjoy equal access to the MPHA's Section 8 Program. Any form that the MPHA will provide for requesting a reasonable accommodation must be included in the Draft Administrative Plan for community review and comment also. The MPHA's response in the past that forms are not subject to review by the public creates an artificial barrier to the community input process that is the purpose of the Annual Plan process. There is no acceptable rationale for withholding this information from the community.

RESPONSE: Thank you for your comments. We will continue to comply with Reasonable Accommodation and VAWA Policies.

5-I. C. Family Obligations

- Page 5-6

The policy for adding family members refers to policies in Chapter 3, but Chapter 3 does not include the following information. This section must be revised to comply with the law at the Federal Fair Housing Amendments Act of 1988 (FHAA), 42 U.S.C. §§ 3601-3619 (2009); Minn. Stat. § 363A.09 (2009); 24 C.F.R. pt. 100 *et. seq.* (2009). The policy should read, “the PHA will approve the addition of a child to the household upon receipt of (1) a birth certificate; (2) legal proof of adoption; (3) a court order; (4) a delegation of powers of a parent under Minn. Stat. § 524.5.211 (2009); (5) written permission of the parent of other person having custody of the child; or (6) if none of the above documents are available, reliable, accurate and objective third-party verification of custody.” This language is what was agreed upon for the MPHA’s Public Housing Statement of Policies pursuant to the settlement of *Xiong v. Minneapolis Public Housing Authority*, Case No. 09-cv-01167 so, there should be no problem incorporating the same language in appropriate places in the Section 8 Administrative Plan, like this section. The MPHA’s choice in regard to this policy puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: MPHA will revise our PHA Policy within this section and add the language “the PHA will approve the addition of a child to the household upon receipt of (1) a birth certificate; (2) legal proof of adoption; (3) a court order; (4) a delegation of powers of a parent under Minn. Stat. § 524.5.211 (2009); (5) written permission of the parent of other person having custody of the child; or (6) if none of the above documents are available, reliable, accurate and objective third-party verification of custody”.

5-II. E. Voucher Term, Extensions, And Suspensions

Extension of Voucher Term

- Page 5-14

The reasons listed in this section of the Draft Administrative Plan for extension of the Voucher term should include extension for those families covered by the VAWA. The family dealing with domestic violence may not be able to place its Voucher within the usual time due to circumstances resulting from the domestic violent situation. The Draft merely states that the MPHA will comply with its VAWA Policy in Appendix F which is insufficient. The reference to the VAWA Policy in Appendix F is insufficient because there is nothing in the VAWA Policy that speaks to this point. This section needs further revision or the VAWA Policy needs revision to include this issue. A choice to not revise either this section or the VAWA policy puts the MPHA at risk of using its resources to defend legal challenges.

RESPONSE: MPHA will make revision to the list of circumstances that the PHA may consider as reasons to approve additional 120 day extensions and include VAWA, VASH and Designated Disabled Vouchers.

6-I. B. Household Composition And Income

Joint Custody of Dependents

- Page 6-5
The MPHA policy regarding joint custody in this section needs further revision. The reference to “primary custody” in the second paragraph in this section of the Draft Administrative Plan has no real legal meaning in family law. This paragraph must be revised to “physical custody” which is the appropriate term of art.

RESPONSE: MPHA will amend policy and replace the term “primary custody” with “physical custody”.

Caretaker for a Child

- Page 6-5
This section needs to be revised to recognize the families in which the adult is a family member as a result of any of the following: (1) a court order; (2) a delegation of powers of a parent under Minn. Stat. § 524.5-211 (2009); (3) written permission of the parent of other person having custody of the child; or (4) if none of the above documents are available, reliable, accurate and objective third-party verification of custody of the child. Federal Fair Housing Amendments Act of 1988 (FHAA), 42 U.S.C. §§ 3601-3619 (2009); Minn. Stat. § 363A.09 (2009); 24 C.F.R. pt. 100 *et. seq.* (2009). A policy that does not recognize all of these possibilities puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: MPHA will revise the section and add # 5 which will state “An adult would be considered a family member as a result of any of the following: (1) a court order; (2) a delegation of powers of a parent under Minn. Stat. § 524.5-211 (2009); (3) written permission of the parent of other person having custody of the child; or (4) if none of the above documents are available, reliable, accurate and objective third-party verification of custody of the child”. All Adult additions to the household must meet eligibility guidelines as outlined in Chapter 3.

6-I. K. Periodic And Determinable Allowances

Alimony and Child Support

- Page 6-29
This section must be revised to comply with federal law. The policy in the Draft Administrative Plan allows averaging of payments received in the past 12 months if a family is not receiving its child support. However, 24 C.F.R. § 5.609(b)(7) (2009) (emphasis added) includes in annual income only the “periodic and determinable allowances, such as alimony and child support payments . . . *received* from persons not

residing in the dwelling.” The MPHA’s plan to average would result in rent calculated based on income from alimony or child support not received. The MPHA’s choice in regard to this policy puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: MPHA will amend the policy and remove the part of the statement which reads “during the past 12 months” and instead state “within 90 days of initial lease up and 120 days of any re-examination”.

6-II. F. Child Care Expense Deduction

- Page 6-42 to 6-43

This section reduces the amount MPHA will deduct for Child Care costs in some instances, where the local standard cost as established by the local welfare agency” is lower than the family’s actual child-care expenses. At the MPHA Public Hearing on the Draft Plan and supporting documents including this Draft Administrative Plan, MPHA staff stated that because families are paying such a large percentage of their income on child care a change is needed for this deduction. If that is the case, the MPHA’s policy may potentially present a barrier to incentives for participants to work. The MPHA’s policy must comply with federal law and place no cap on this deduction other than costs that exceed income from employment. 24 C.F.R. § 5.603(b) (2009).

The MPHA’s “exception” clause for families who can justify their higher costs in order to receive the mandatory deduction for their actual costs is additionally poorly crafted in that it appears to put the burden on tenant to show their costs are “reasonable”. The MPHA has not clarified what standard cost figure it will use in the “reasonableness” or how it will determine the “local welfare standard.” A brief search on the internet reveals various sites with different figures or a range of figures:

<http://www.mnchildcare.org/families/pay.php>

<http://www.naccrra.org/randd/data/docs/MN.pdf>.

The MPHA should at the minimum, choose an appropriate standard and make available to families the standard costs they will use for the deductions up front, so that families can appropriately weigh their options. The MPHA’s choice in regard to this policy puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: Thank you for your comments; MPHA declines to make changes.

6-III. B. Financial Hardships Affecting Minimum Rent

HUD-Defined Financial Hardship and Implementation of Hardship Exemption

- Page 6-46

The MPHA's policy in this section of the Draft Administrative Plan for hardship exemptions for families paying minimum rent do not comply with the federal law stated at 24 C.F.R. § 5.630 (b)(2)(ii) (2009). This section must be revised to comply with the regulations so families who should receive hardship exemptions have their rent properly calculated, and so families are not improperly evicted leaving the MPHA open to litigation for violation of the regulations and damages for unlawful evictions under state and federal laws. The MPHA's choice in regard to this policy puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: MPHA will revise policy by removing the first statement and replacing it with the following "If a family requests a financial hardship, the PHA will suspend the minimum rent requirement beginning the month following the family's request for a hardship exemption until the PHA determines whether there is a qualifying financial hardship and whether such hardship is temporary or long term".

Implementation of Hardship Exemption

Determination of Hardship

- Page 6-47

The Draft has reduced the time the MPHA takes to make its hardship determination from the former 30 days to a 21-day period. This is an improvement, but is still not sufficient to really prevent the disaster a court proceeding for eviction presents to a family already in crisis. Unlike Public Housing where the MPHA is the owner and can forego an eviction action while it engages in whatever administrative process it has established for determination of a hardship exemption, a Section 8 tenancy involves a private owner who expects and needs the full payment of rent on time. If a family is eligible for a hardship exemption from payment of minimum rent then the HAP payment will cover all of the rent. The MPHA is obligated to make its determination of hardship as soon as possible to preserve the tenancy.

If the MPHA takes 21 days as proposed, the owner may have filed an eviction complaint, the housing court hearing will have taken place and the Writ of Recovery issued and possibly executed leaving the family homeless before the determination is made. The family then faces possible proposed termination from the Section 8 Program for violation of a family obligation. The family also has an eviction on its tenant record that will not be expunged because the rent was certainly due when the owner filed the complaint.

A 21-day period to perform this very important administrative function regarding the hardship determination is simply too long and puts the participant family in grave danger. The MPHA should be able to make this determination in 15 calendar days. The MPHA's choice in regard to this policy puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: Thank you for your comments; we decline to make change. We will continue to comply with HUD regulations.

7-II. A. Verification Of Legal Identity

- Page 7-20

The table listing Verification of Legal Identity for Children in this section should include Delegation of Parental Authority (Minn. Stat. § 524.51-211 (2009)).

RESPONSE: MPHA does not agree and declines to make this change.

7-II. D. Family Relationships

Absence of Adult Member

- Page 7-22

This section directly conflicts with the MPHA's statements regarding absences and family membership in section 3-I. L. at pages 3-7 and 3-8 of the Draft Admin Plan. A family may not be absent for more than 180 consecutive calendar days. 24 C.F.R. § 982.312 (2009). The law imposes no restrictions on absences of individual family members. The exception to the proposed 60 day limit in this section, absences for medical reasons, does not include the exception for employment described previously in section 3-I. L. of the Draft Admin Plan. This section need to be revised so the Plan is internally consistent and, more importantly, so the Plan does not violate the law.

RESPONSE: MPHA reinstated its 90 policy for Low income Public Housing Residents and the Section 8 Program adopted the 90 day policy. MPHA will retain the exception for employment described previously in Section 3-I.L. and will make the changes in the Admin Plan.

7-II. H. Verification Of Preference Status

- Page 7-27

The list of ways to verify involuntary displacement in this section should be revised to include no rental license. There is a reference to building permits, but that is not sufficient to address the problem presented by lack of a rental license. The information to verify this factor is readily available in public, electronic data the MPHA can easily access.

RESPONSE: MPHA will include “denial of rental license”.

7-III. D. Alimony Or Child Support

- Page 7-31

This section must be revised to comply with federal law. The policy in the Draft Administrative Plan allows averaging of payments received in the past 12 months if a family is not receiving its child support. However, 24 C.F.R. § 5.609(b)(7) (2009) includes in annual income only the “periodic and determinable allowances, such as alimony and child support payments . . . *received* from persons not residing in the dwelling.” (emphasis added) The MPHA’s plan to average would result in rent calculated based on income from alimony or child support not received. The MPHA’s choice in regard to this policy puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: MPHA will revise policy. Policy will state: “If payments are made through a state or local entity, the PHA will request *a record of payments received within 90 days of initial lease up or 120 days of any recertification*”.

7-IV. D. Child Care Expenses

- Page 7-39

See comments regarding child care deductions *supra* regarding section 6-II. F. at pages 40 to 42 of the Draft Admin Plan.

RESPONSE: Thank you for your comments; MPHA declines to make change here.

8-I. C. Life Threatening Conditions

- Page 8-7

This section should be revised to include in the list of life-threatening conditions the presence of deteriorating lead-based paint which the Draft Administrative Plan acknowledges at 8-I. E. *infra* to be a serious housing quality issue. While it is true that many, if not most, lead paint hazards will not be remedied in 24 hours, the owner should be required to provide alternative housing for the participant family while remedying the lead paint hazard.

RESPONSE: MPHA will revise section and include “Deteriorating Lead Based Paint (if Risk Assessor (i.e. Hennepin County or other certified Risk Assessor) determines that abating the lead based paint will be unsafe for the family, the owner will be required to provide temporary alternative housing during the abatement of the lead based paint.

8-I. E. Special Requirements For Children With Environmental Intervention Blood Lead Level

- Page 8-8
This section should be revised so that the Risk Assessment provided to the owner is also provided to the head of household in the participant family.

RESPONSE: MPHA does not agree.

8-II. C. Annual HQS Inspections

Scheduling the Inspection

- Page 8-13
This section should be revised so it also contains the 15 day for an inspection rather than the previous 30 days, like section 8-II. B. Initial Inspection section at page 8-11 of the Draft Admin Plan.

RESPONSE: This time frame meets the scheduling needs of participant families and Inspections team; MPHA declines to make change.

This section should cross-reference the sections of the Admin Plan that will apply to the meeting that will be held “to discuss the violation”. If the MPHA does not intend to use the hearing procedures already in the Draft Admin Plan then the procedures for this type of meeting should be stated in this section. This additional information must include: the notice that will be given the participant, the procedure that will govern the meeting, what decisions may result and what rights the participant family has throughout the process. This is needed because the outcome of the meeting could be the adverse action of termination of assistance by the MPHA according to the Draft Admin Plan. The revision should also include the citations to the legal basis for the process described.

RESPONSE: MPHA will revise this section and remove the meeting “to discuss the violation”. The sentence will read: “If the family fails to attend HQSE Class or fails to correct the family caused damages or housekeeping violation or fails to allow entry for inspection, the PHA will consider the family to have violated its obligation to make the unit available or in compliance with HQS and will take action to terminate the voucher. The notice of termination will provide the family the right to an informal hearing as referenced in Chapter 16”.

8-II. D. Special Inspections

- Page 8-14
This section requires that written documentation from the owner or participant family of a violation has been reported “. . . to the responsible party . . .”. It is not clear from this section what is meant by “the responsible party”. It could mean the owner, the

participant family, the Section 8 Program or the City Inspections office. This needs to be clarified.

RESPONSE: MPHA will remove the first sentence.

8-II. G. Enforcing Owner Compliance

HAP Abatement

- Page 8-16

This section addressing the abatement of HAP payments when an owner fails to correct HQS violations asserts that the participant family remains responsible for the tenant's portion of the rent. This is not always the case when conditions of rental property do not comply with HQS and/or applicable City Codes. The participant has legal recourse to get repairs made that may include reduction or abatement of rent through Emergency Tenant's Remedies Action or Rent Escrow actions in district court. The MPHA should consider enhancing HQS compliance enforcement by joining with participant families who may use the MN District Court Emergency Tenants' Remedies Action or Rent Escrow Action procedures to obtain court orders to affect repairs to their rental premises. The MPHA should open discussion with tenant advocates at Legal Services, the Volunteer Lawyers Network and other tenant advocacy organization to find ways we all might work together to improve the condition of the affordable housing stock available to Section 8 participant families.

The MPHA could use those discussions to also consider how those parties might more effectively work together to effectively ensure that the protections of the Protecting Tenants at Foreclosure Act of 2009 (PTFA) (Pub. L. 111-22, approved May 20, 2009) and HUD's Notice to ensure the protections of that statute are implemented by housing authorities, 74 F.R. 30106 (June 24, 2009), are in force in Minneapolis to best meet the needs of the MPHA's Section 8 participant families after foreclosure.

RESPONSE: Thank you for your comments.

8-II. H. Enforcing Family Compliance With HQS

- Page 8-17

In this section regarding the failure of a participant to correct a HQS violation within the time allowed by the MPHA, the Draft Administrative Plan states in #2 that the participant will be required to attend "... a meeting to discuss the violation." This section should cross-reference the sections of the Admin Plan that will apply to the meeting that will be held "to discuss the violation". If the MPHA does not intend to use the hearing procedures already in the Draft Admin Plan then the procedures for this type of meeting should be stated in this section. This additional information must include: the notice that will be given the participant, the procedure that will govern the meeting, what decisions may result and what rights the participant family has throughout the process. This is

needed because the outcome of the meeting could be the adverse action of termination of assistance by the MPHA according to the Draft Admin Plan. The revision should also include the citations to the legal basis for the process described.

RESPONSE: MPHA will revise this section to read: “Attendance at HQSE Class and the right to an Informal Hearing if program violations have been determined”.

9-I. G. HAP Contract Execution

- Page 9-10

This section should be revised to also require the MPHA to check the foreclosure status of the premises prior to executing the HAP contract to make sure that the sheriff sale has not occurred. MPHA should carefully review this section in light of the Protecting Tenants at Foreclosure Act of 2009 (PTFA) (Pub. L. 111-22, approved May 20, 2009) and HUD’s Notice to ensure the protections of that statute are implemented by housing authorities, 74 F.R. 30106 (June 24, 2009) to ensure that the provisions of the new statute are followed when a new HAP Contract is executed.

RESPONSE: MPHA will revise this section to include language identifying our current of verifying foreclosure status prior to the execution of a HAP Contract.

10-I. B. Restrictions On Moves

Restrictions On Elective Moves

- Page 10-3

This section of the Draft Administrative Plan lists exceptions to the prohibition on elective moves. That list should be revised to include (i) the owner’s lack of a rental license and (ii) the owner’s foreclosure, as these are both also examples of situations over which a family has no control.

RESPONSE: MPHA will add: “owner’s failure to maintain a current rental license” and foreclosure of the rental unit”.

The reference to Chapter 2 in the sentence regarding reasonable accommodation needs to be corrected to refer to the Reasonable Accommodation Policy in Appendix E.

RESPONSE: MPHA has corrected the reference.

10-I. C. Moving Process

Approval

- Page 10-3
The MPHA has included telephone, fax and e-mail as methods of notice to families in addition to writing in many other sections of the Draft Administrative Plan. That variety of modes of notification should be used in this section as well, in addition to writing. It may be to the family's advantage to receive the faster notice of telephone, fax or e-mail with the written notice by U.S. Mail to follow.

RESPONSE: Thank you for your comments.

Voucher Issuances and Briefing

- Page 10-5
This section of the Draft Administrative Plan lays out a process of issuing a Voucher that involves 2 meetings with the family, one for the Briefing and one for the actual issuing the Voucher. This two-step process is not used by other Section 8 programs in the Metro area, many of them with similar numbers of Voucher families to serve. Some Section 8 Programs are able to brief families and at the conclusion of the briefing meeting hand the Vouchers to the participants. It should not be necessary to lengthen the process before a family has a Voucher and is engaged in the search process. It would seem to be to the MPHA's advantage for funding purposes to get the HAP signed as soon as possible as well.

RESPONSE: Thank you for your comments. MPHA's Voucher Issuance Appointment also includes the re-examination of income and family size and the determination of affordability level.

10-II. B. Initial PHA Role

Applicant Families

- Pages 10-6 and 10-7
This section of the Draft Administrative Plan covering the requirement that a family live in the MPHA's jurisdiction for the first year of its participation in the Voucher Program must include an exception for the family that is covered by the VAWA and must move for safety. The family covered by the VAWA has the right to port, *See* 42 U.S.C. § 1437f (r)(5) (2009). A mere reference to the VAWA Policy in Appendix F will be insufficient without a specific citation to where in Appendix F the reader will find this exception identified. If there is no specific statement of this protection in Appendix F, then either this section needs further revision or the VAWA Policy in Appendix F needs revision. A

choice to not revise either place puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: MPHA will provide VAWA protection as appropriate and declines to make change.

Similarly, the reference to the Reasonable Accommodation Policy in Appendix E is insufficient because there is nothing in the RA Policy that speaks to this point. This section needs further revision or the RA Policy in Appendix E needs revision. A choice not to revise either place puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: MPHA will provide Reasonable Accommodation as appropriate and declines to make change.

Initial Billing Deadline

- Page 10-11

This section must be revised further. The references to the VAWA Policy in Appendix F and the Reasonable Accommodation Policy in Appendix E are insufficient. There is nothing in the VAWA Policy or the Reasonable Accommodation Policy that speaks to this policy point. This section needs further revision or the VAWA and Reasonable Accommodation Policies need revision. A choice not to make these revisions puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: MPHA will provide VAWA protection and Reasonable Accommodation as appropriate and declines to make change.

Subsequent Family Moves

- Page 10-11 and 10-12

This section must be revised further in regard to exceptions for the family covered by the VAWA or requesting Reasonable Accommodation. There is nothing in the VAWA Policy in Appendix D or the Reasonable Accommodation Policy in Appendix E that speaks to this policy point. This section needs further revision or the VAWA and the Reasonable Accommodation Policies need revisions. A choice not to make these revisions puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: MPHA will provide VAWA protection and Reasonable Accommodation as appropriate and declines to make change.

Voucher Extensions

- Page 10-14

This section must be revised further in regard to exceptions for the family covered by the VAWA or requesting Reasonable Accommodation. There is nothing in the VAWA Policy in Appendix D or the Reasonable Accommodation Policy in Appendix E that speaks to this policy point. This section needs further revision or the VAWA and the Reasonable Accommodation Policies need revision. A choice not to make these revisions puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: MPHA will provide VAWA protection and Reasonable Accommodation as appropriate and declines to make change.

Denial or Termination of Assistance

- Page 10-17

There is nothing in the regulation cited, 24 C.F.R. § 982.355 (c)(9) and (10) (2009), that requires or authorizes the MPHA to simply cease the porting process and return the family's paperwork to the Initial Housing Authority if the porting family selects a unit that turns out to need a Risk Assessment for Lead Paint. If the unit selected is not suitable due to its failure to pass HQS Inspections or its need for a Risk Assessment due to lead based paint, those facts do not justify penalizing the porting family. A better practice would be to inform the porting family as soon as possible that it must find another unit and submit a Request for Tenancy Approval for that new unit. The MPHA's choice in regard to this policy puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: Thank you for your comments. It is the responsibility of the initial PHA to issue the new RFTA so that the family can select an alternative unit.

11-I. B. Scheduling Annual Reexaminations Notification of and Participation in the Annual Reexamination Process

Notification of and Participation in the Annual Reexamination Process

- Page 11-2

The reference to reasonable accommodation policies in Chapter 2 should be corrected to refer the reader to the Reasonable Accommodation Policy in Appendix E.

RESPONSE: MPHA will make the correction.

- Page 11-3
This section needs to be revised. Simply stating here that the MPHA will comply with its LEP Policy in Appendix D is insufficient. The right to have free interpreter services in the application process at MPHA expense must be clearly stated here or a reference to the LEP Policy in Appendix D should include citation to the specific point in appendix D that speaks to this right. A choice not to make this revision puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: MPHA will make the revision to reference LEP Policy at Appendix D @ Part C.

11-I. C. Conducting Annual Reexaminations

- Page 11-3
This section of the Draft Administrative Plan adds a requirement of a Criminal History Background Release that the family must sign. That form is not attached to the Draft Plan as an Exhibit or Appendix so it is not possible for the community to review it or comment upon it. When we have asked for this form in the past we have been told that “issues of procedure” are not subject to public comment. This is nonresponsive, fails to explain why the MPHA would want to keep the form secret, and does not provide the legal basis the MPHA relies on for its refusal to make public a form it intends to ask every participant family sign at annual reexamination. Public input on the Administrative Plan is mandated by law and the MPHA should address concerns like this one directly.

RESPONSE: MPHA will not provide forms for public comment.

11-II. B. Changes In Family And Household Composition

Family Initiated Interim Reexamination

- Page 11-10
It is unclear to the reader what the “30 day notice of change in rent calculations” means in this section regarding interim reexaminations. Will the MPHA complete all HAP recalculations within 30 days of an interim rent examination? Will all rent increases take effect 30 days after the reexamination? Will all rent decreases take effect 30 days after the reexamination? This section needs to be clarified.

RESPONSE: Thank you for your comments. MPHA already responded when we implemented the policy in 2007.

Any rent decrease resulting from an interim reexamination must be effective the first month after the MPHA receives the report on decreased income. Any other timeline will result in the family paying more than the statutory amount for their portion of the rent and thus violate 42 U.S.C. § 1437f(o)(2) (2010). *See also*, Housing Choice Voucher Program

Guidebook, Chap. 12. The goal of “. . . consistency in processing deadlines for MPHA staff . . . “ should be attainable while complying with the law.

RESPONSE: Thank you for your comments. MPHA already responded when we implemented the policy in 2007. MPHA declines to make change.

Required Reporting and Optional Reporting

- Page 11-10 and 11-11

The Required Reporting section of the Draft Administrative Plan states that, “Families will be required to report all increases in income/assets within 10 calendar days”, but at Optional Reporting, on page 11-10, the Plan states that, “Families may report changes in income or expenses at any time.” The PHA needs to have one policy so families are not confused about their obligations to report income changes.

RESPONSE: Thank you for your comments. MPHA declines to make change.

11-II. D. Processing The Interim Reexamination

Effective Dates

- Page 11-11

This section of the Draft Administrative Plan must be revised to avoid putting participant’s at risk of homelessness and violation of federal law. MPHA policy states that if a family share of the rent is to decrease, then the decrease will be effective the first day of the month *following written confirmation by the family that no further changes have occurred within 30 days.* (Emphasis Added.) If a tenant (T) loses his job on September 2 and reports the decrease in income right away, then T has to wait 30 days, or until October 2, to report that there have been no additional changes in income. Under the MPHA’s Draft Plan T’s rent would not decrease until the month following the 30 day notice which for T would be November. T has decreased income so is probably unable to pay the incorrect rent amount for October. The Owner has the right to the full rent. If the MPHA calculated the decreased rent in a timely manner the HAP would increase for October and the Owner would not be forced to file an eviction complaint for nonpayment that will result in eviction of T. The MPHA’s proposed delay in recalculation for a rent decrease puts the participant family at risk of homelessness for no stated justification. And as if the loss of housing is not enough harm to the innocent participant, the family faces mandatory termination from the MPHA’s HCV program, *see* Draft Administrative Plan Chapter 12, 12-I.D. Mandatory Termination of Assistance, at page 12-2. In addition, this delay by the MPHA violates 42 U.S.C. § 1437f (o)(2) (2010). The MPHA’s choice in regard to this policy puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: Thank you for your comments. MPHA already responded when we implemented the policy in 2007. MPHA declines to make change.

12-II. C. Alternatives To Termination Of Assistance

Change in Household Composition

- Page 12-9
This section of the Draft Administrative Plan must be revised to allow an exception for those instances in which the family does not know the address of the culpable family member. Inability to do the impossible should not penalize the family.

RESPONSE: MPHA revised policy to include that “A statement from the owner of current rental unit certifying that the family member is no longer in residence will be considered sufficient alternative form of verification.”

Exhibit 12-1: Statement Of Family Obligations

- Page 12-17
The Draft Administrative Plan’s Exhibit 12-1 does not have a signature block for the participant family head(s) of household. If this document is not provided in written translation to a LEP participant, then the signature block must include a certification of translation to be signed by the free interpreter the MPHA uses to orally translate the Statement before the LEP members of the household execute the document.

RESPONSE: The Family Obligations are part of the initial and the recertification application packet which does contain the signature block.

In Bullet Seven (7) of the proposed Exhibit 12-1 on this page of the Draft Administrative Plan, the MPHA posits that it will terminate assistance based on a court-ordered eviction or an Owner’s “notice to evict”. The use of a court-ordered eviction needs to be clarified. If the MPHA proposes to terminate assistance when a family has been evicted for serious or repeated lease violations and to have the MPHA’s actions triggered by the receipt of court ordered judgment for the owner in the eviction action then the MPHA’s policies need further refinement. The defendant’s family in the eviction action has 10 days to appeal a judgment for the owner, Minn. Stat. § 504B.371 (2009). The MPHA must not consider the family evicted until the appeal period has passed so the proposed Draft Administrative Plan must be revised accordingly.

RESPONSE: MPHA will remove the statement: “or an Owner’s notice to evict”. MPHA declines to make other changes.

In Bullet Seven (7) of the proposed Exhibit 12-1 the phrase “notice to evict” needs to be revised if the MPHA proposes to terminate based on the owner’s written “notice to vacate” provided to a tenant. A notice to vacate at most contains allegations of alleged breach of the lease, but there is no proof of the allegations at this point in the tenancy.

Termination of assistance based on unproven allegations is not legally permissible. *See* 24 C.F.R. §§ 982.553 and .554 (2009). The MPHA's choice in regard to this policy puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: MPHA will remove statement "notice to vacate"

Page 12-18

In Bullet One (1) of the proposed Exhibit 12-1 on this page of the Draft Administrative Plan, the MPHA must revise the language regarding additions to the household composition to avoid violations of federal and state law. The policy should provide approval of "the addition of a child to the household upon receipt of (1) a birth certificate; (2) legal proof of adoption; (3) a court order; (4) a delegation of powers of a parent under Minn. Stat. § 524.5-211 (2009); (5) written permission of the parent of other person having custody of the child; or (6) if none of the above documents are available, reliable, accurate and objective third-party verification of custody." Federal Fair Housing Amendments Act of 1988 (FHAA), 42 U.S.C. §§ 3601-3619 (2009); Minn. Stat. § 363A.09 (2009); 24 C.F.R. pt. 100 *et seq.* (2009). Also, the reference to Chapter 3 is incorrect; there is nothing in Chapter 3 on this point. The MPHA's choice in regard to this policy puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: MPHA will revise statement to add appropriate language: "the addition of a child to the household upon receipt of (1) a birth certificate; (2) legal proof of adoption; (3) a court order; (4) a delegation of powers of a parent under Minn. Stat. § 524.5-211 (2009); (5) written permission of the parent of other person having custody of the child; or (6) if none of the above documents are available, reliable, accurate and objective third-party verification of custody." In addition in the PHA policy we will revise "family member" to state: "adult family member"

13-I. D. Owner Qualifications

Owner Actions That May Result in Disapproval of a Tenancy Request

- Page 13-8
MPHA's proposed policy in this section of the Draft Administrative Plan states that the landlord must have a current rental license. An actual check by the MPHA with the City of Minneapolis to determine if a landlord has a rental license replacing self-reporting by the landlord is essential. The information to verify a rental license is readily available in public, electronic data MPHA can easily access. This information should be verified through third-party sources. Refusal to approve requests for tenancy in these instances will help participants who cannot easily obtain this information when looking at prospective rentals.

RESPONSE: MPHA does verify the rental license through the City's Website

This section should be further revised to disapprove tenancies with owners in foreclosure where the sheriff sale has occurred. The information to verify whether a property is in foreclosure past the sheriff sale is available in public, electronic data that MPHA can easily access. Our clients experience is the same as that of the MPHA in that after the sheriff sale the properties often then go into disrepair and the tenant has to move under emergency circumstances putting the family in financial hardship and increasing the administrative burden for MPHA. The instability these circumstances present for the family contravenes the goals of the Section 8 Program and harms both the family and MPHA.

RESPONSE: MPHA has added to the PHA Policy, the statement: “The owner’s property is in a foreclosure status.

MPHA should review this section of the Draft Administrative Plan as well as any other sections involving Owner qualifications and changes in Ownership for compliance with the new federal law protecting tenants in foreclosure. Protecting Tenants at Foreclosure Act of 2009 (PTFA) (Pub. L. 111-22, approved May 20, 2009). Additionally, MPHA should review HUD’s Notice to ensure the protections of that statute are fully implemented by the MPHA. 74 F.R. 30106 (June 24, 2009). This and other relevant sections of the Draft Administrative Plan must clearly inform owners, participants and MPHA staff how to properly handle Section 8 tenancies after foreclosure.

Legal Ownership of Unit

- Page 13-8

MPHA should review this section of the Draft Administrative Plan as well as any other sections involving Owner qualifications and changes in Ownership for compliance with the federal law protecting tenants in foreclosure. Protecting Tenants at Foreclosure Act of 2009 (PTFA) (Pub. L. 111-22, approved May 20, 2009). Additionally, MPHA should review HUD’s Notice to ensure the protections of that statute are fully implemented. 74 F.R. 30106 (June 24, 2009). This and other relevant sections of the Draft Administrative Plan must clearly inform owners, participants and MPHA staff how to properly handle Section 8 tenancies after foreclosure.

The proposed Administrative Plan should state what the MPHA policy is concerning the disposition of HAP payments when ownership changes, with particular attention to changes as the result of foreclosure. The Section 8 lease continues after the foreclosure. If the HAP is not efficiently continued to the new owner, the participant is at risk of an eviction action for nonpayment. A tenant should not be subjected to an eviction action and the 2 or 3 month process of expunging that action when the tenant successfully argues for dismissal.

RESPONSE: MPHA will add the following language, from “Protecting Tenants at Foreclosure Act of 2009 (PTFA) (Pub. L. 111-22, approved May 20, 2009)” which is also a part of HUD form 52641 (HAP Contract) “In the case of any foreclosure, the

immediate successor in interest in the property pursuant to the foreclosure shall assume such interest subject to the lease between the prior owner and the tenant and to the HAP contract between the prior owner and PHA for the occupied unit. Further, “in the case of an owner who is an immediate successor in interest pursuant to foreclosure during the term of the lease, requiring the tenant to vacate the property prior to sale shall not constitute other good cause except that the owner may terminate the tenancy effective on the date of transfer of the unit to the owner if the owner: (a) will occupy the unit as a primary residence; and (b) has provided the tenant a notice to vacate at least 90 days before the effective date of such notice. This provision does not affect any State or local law that provides longer time periods or other additional protections for tenants. This provision will sunset on December 31, 2012 unless extended by law.”

13-II. C. HAP Contract Payments

Termination of HAP Payments

- Page 13-12

The MPHA’s policy to terminate when a family has been evicted for serious or repeated lease violations is triggered in this section of the Draft Administrative Plan by the receipt of court ordered judgment for the owner in the eviction action. The defendant family in the eviction action has 10 days to appeal a judgment for the owner, Minn. Stat. § 504B.371 (2008). The MPHA must not consider the family evicted until the appeal period has passed so the proposed Administrative Plan must be revised to include this timing. The Owner controls the eviction date because the Owner is required to schedule the Sheriff to complete execution of the Writ of Recovery/Restitution. The Owner should be asked to provide a written documentation showing the Writ was executed.

RESPONSE: MPHA will add to our PHA Policy the statement: “The owner will be asked to provide written documentation showing the Writ was executed.”

13-II. E. HAP Contract Term And Terminations

- Page 13-14

This section of the Draft Administrative Plan lists the circumstances under which the MPHA will choose to terminate the HAP contract. The list should be revised to include (i) the lack of a current rental license and (ii) foreclosure. The information to verify a rental license is readily available in public, electronic data MPHA can easily access. The information to verify whether a property is in foreclosure past the sheriff sale is also available in public, electronic data that MPHA can easily access. Our clients’ experience is the same as that of the MPHA in that after the sheriff sale the properties often then go into disrepair and the tenant has to move under emergency circumstances putting the family in financial hardship and increasing the administrative burden for MPHA. The instability these circumstances present for the family contravenes the goals of the Section 8 Program and harms both the family and MPHA.

RESPONSE: MPHA will add to the list, the following two items: Owner fails to maintain current rental license; Owner's rental unit is foreclosed.

13-II. F. Change In Ownership/Assignment Of The HAP Contract

- Page 13-16

MPHA should review this section of the Draft Administrative Plan as well as any other sections involving Owner qualifications and changes in Ownership for compliance with the new federal law protecting tenants in foreclosure. Protecting Tenants at Foreclosure Act of 2009 (PTFA) (Pub. L. 111-22, approved May 20, 2009). Additionally, MPHA should review HUD's Notice to ensure the protections of that statute are implemented. 74 F.R. 30106 (June 24, 2009). This and other relevant section of the Draft Administrative Plan must be revised to clearly inform owners, participants and MPHA staff how to properly handle Section 8 tenancies after foreclosure. Language similar to that used in 13. II. E., at page 13-14 of the Draft Admin Plan regarding foreclosed property may be useful here as well.

The proposed Administrative Plan should state clearly what the MPHA policy is concerning the disposition of HAP payments when ownership changes, with particular attention to changes as the result of foreclosure. The Section 8 lease continues after the foreclosure. If the HAP is not efficiently continued to the new owner the participant is at risk of an eviction action for nonpayment. A tenant should not be subjected to an eviction action and the 2 or 3 month process of expunging that action when the tenant successfully argues for dismissal.

RESPONSE: MPHA will include the following statement to its PHA Policy: "In the case where a change in ownership of an assisted unit has occurred because of foreclosure, MPHA will make payments to the successor in interest in compliance with the Protecting Tenants at Foreclosure Act of 2009."

16-II. B. Payment Standards

Updating Payment Standards

- Page 16-4

The section of the Draft Administrative Plan should contain the MPHA policies regarding decreases in the Voucher Payment Standards (VPS) when the agency has insufficient funding, or include a cross-reference to the section of the Administrative Plan where the reader may find that information.

The Draft Administrative Plan should allow for written comments on the Voucher Payment Standards (VPS) with provision for notice to families, owners or members of the public when the VPS will be increased or decreased. The MPHA should provide for consideration of any comments that might be received. This section should be revised to

create a system of notice to families, owners and the public of anticipated changes in the VPS with at least 30 days for interested parties to submit comments for the MPHA review before VPS are finalized.

RESPONSE: Thank you for your comments. We decline to make change.

16-III. B. Informal Reviews

Notice to the Applicant

- Page 16-10

This section of the Draft Administrative Plan regarding the notice to an applicant family regarding denial of assistance must be revised to include the family's rights to free interpreter services for the informal review process, the family's rights under the VAWA, and the family's rights to reasonable accommodation. The notice and this section of the Draft Administrative Plan should refer to the MPHA's LEP Plan at Appendix D, the MPHA's VAWA Policy at Appendix F and the MPHA's Reasonable Accommodation Policy at Appendix E. The MPHA's choice in regard to this policy puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: MPHA will add that: MPHA will comply with its LEP Plan at Appendix D; its VAWA Policy at Appendix F and its Reasonable Accommodation Policy at Appendix E.

This section must also be revised to include in the notice how an applicant can arrange to review the contents of his/her applicant file at the MPHA and obtain copies of the contents at the applicant's own expense prior to the informal review.

RESPONSE: MPHA will add to its PHA Policy: "MPHA will make available to the applicant family, contents of their file and allow applicant family to obtain copies of the file at the family's expense prior to the informal review."

Informal Review Procedures

- Page 16-10

This section of the Draft Administrative Plan describes the procedures for an applicant's appeal of the MPHA's denial of assistance. This section must be revised to include the following:

- that the applicant and the MPHA will disclose to one another the documents upon which they will rely at the review prior to the review;
- that either party is responsible for its own copying costs for any documents copied prior to the review;
- that either party may make a record of the proceedings at that party's own expense;

- that the applicant or the MPHA will make any record made available to the other party for that party's purchase;
- that neither party is required to create or provide a written transcript of the hearing record; and
- the standard of review for the proceeding, with inclusion of or reference to the sections of the Administrative Plan at 16-III. C. Informal Hearings, at pages 16-17 and 16-18, regarding evidence.

The MPHA's response when this concern has been raised in the past is to assert that issues of procedure were not subject to public comment. This is not responsive to these legitimate community concerns and ignores the fact that the Administrative Plan is subject to public comment here by law. The MPHA's choice in regard to this policy puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: MPHA will revise its PHA Policy and include the following:

The family will be given the opportunity to examine, before the informal review, any PHA documents that are directly relevant to the informal review;

The family will disclose to MPHA the documents upon which they will rely at the review, prior to the review;

Both parties are responsible for its own copying costs for any documents copied prior to the review;

Both parties may make a record of the proceedings at that party's own expense;

Neither party is required to create or provide a written transcript of the hearing record; an

Refer to Administrative Plan at 16-III. C. Informal Hearings for information regarding family opportunity to present evidence.

16-III. C. Informal Hearings For Participants

Informal Hearing Procedures

Pre-Hearing Right to Discovery

- Page 16-15

The Draft Administrative Plan in this section requires further revision. This section must make it clear that the MPHA bears its own costs to copy any of the participant family's documents that the MPHA wants to copy. The family is not obligated to provide copies to the MPHA. As this section is currently written it leads the family to believe it must prepare a copy of documents for the MPHA when it is sufficient to make the documents available for the MPHA to review and then copy at the MPHA's own expense if it wants copies.

RESPONSE: MPHA will revised to include: "and make copies at its own expense."

Attendance at the Informal Hearing

- Page 16-14

This section of the Draft Administrative Plan must be revised to clarify that the attendees include the free interpreter that the MPHA is obligated to supply for LEP participants. It must also be revised to include the free interpreters that the MPHA must provide for participants who are deaf or have a hearing impairment. There is nothing in the LEP Policy in Appendix D or the Reasonable Accommodation Policy in Appendix E that speak to this policy point. This section needs further revision or the LEP and Reasonable Accommodation Policies need revisions regarding attendance at the informal hearing. A choice not to make these revisions puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: MPHA will revise to clarify: “See Appendixes D, E at page 5 – 5.0 Communications; and F.

Conduct at Hearings

- Page 16-16

This section of the Draft Administrative Plan involving how the MPHA will conduct hearings for participant families must include the following:

- that either party may make a record of the proceedings at that party’s own expense;
- that the participant or the MPHA will make any record available to the other party for that party’s purchase; and
- that neither party is required to create or provide a written transcript of the hearing record.

The MPHA’s response when this concern has been raised in the past is to assert that these are issues of procedure and thus, not subject to public comment. This is not responsive to these legitimate community concerns and ignores the fact that the Administrative Plan is subject to public comment here by law. The MPHA’s choice in regard to this policy puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: MPHA will amend PHA Policy to include Legal Aid’s recommendations:
Either party may make a record of the proceedings at that party’s own expense;
The participant or the MPHA will make any record available to the other party for that party’s purchase;
Neither party is required to create or provide a written transcript of the hearing record.

Hearing Officer's Decision

- Page 16-18

This section of the Draft Administrative Plan regarding the hearing decision must be revised in the section concerning the "Summary of Evidence" to include in the decision the summary of any written arguments presented by the participant family. The acceptance and consideration of any written submission required by basic due process under *Goldberg v. Kelly*, 397 U.S. 254, 90 S. Ct. 1011 (1970). The MPHA's choice in regard to this policy puts the MPHA at risk of using its resources to defend legal challenges to it.

REPONSE: Thank you for your comments. MPHA declines to make change.

16-III. D. Hearing And Appeal Provisions For Non-Citizens

Representation and Interpretive Services

- Page 16-21

This section needs to be revised to comply with 24 C.F.R. § 5.514(f)(2)(iii)(G) (2009). The MPHA must record the hearing.

RESPONSE: MPHA will add: "The family is entitled to have the hearing recorded. A transcript of the hearing may, but is not required to be, provided by the responsible party."

16-IV. B. Repayment Policy

Repayment Agreement Guidelines

Execution of the Agreement

- Page 16-23

This section of Draft Administrative Plan regarding the MPHA's repayment agreement should require that the repayment agreement be translated for a LEP family or a certificate of translation be executed by MPHA's free interpreter who does the oral translation. The certification of translation should be retained in the family's file with a copy of the agreement. The terms of a repayment agreement include the serious consequence of termination for breach so the MPHA is required to pay particular attention to ensure the family understands its obligations. This section must be revised further. The references to the LEP Policy in Appendix D, VAWA Policy in Appendix F and the Reasonable Accommodation Policy in Appendix E are insufficient. There is nothing in the LEP, VAWA or Reasonable Accommodation Policies that speak to this policy point. This section needs further revision or the LEP, VAWA and Reasonable

Accommodation Policies all need revisions. A choice not to make these revisions puts the MPHA at risk of using its resources to defend legal challenges to it.

RESPONSE: MPHA will add to the policy: “The PHA will assure that the language block is on all repayment agreements.”

Non-Payment

- Page 16-24

The repayment agreement provision for termination for breach should incorporate reasonable accommodation language so a person who breaches as a consequence of a disability knows a reasonable accommodation discussion can be initiated to resolve the matter without termination. The right to reasonable accommodation should be stated in the repayment agreement itself as well. A reference to the Reasonable Accommodation Policy in Appendix E will not be sufficient. There is nothing in Appendix E that speaks to this policy point. This section needs further revision or Appendix E needs revision. A choice not to make this revision puts the MPHA at risk of using it resources to defend legal challenges to it.

RESPONSE: MPHA’s Termination of Assistance letter contains the language block and states the right to request reasonable accommodation.

16-VI. C. Records Management

- Page 16-33

This section of Draft Administrative Plan needs to be revised to include the MPHA’s obligations under the VAWA to protect all information the applicant or participant provides to MPHA regarding the person’s status as a victim of domestic violence. The ways in which MPHA may release any of this confidential information are enumerated at 42 U.S.C. § 1437f (ee)(2) (2009). While there is some discussion of confidentiality under VAWA in Appendix F, the need for confidentiality and the prohibition against use of a shared data base to store VAWA information should be included in this section as well. The MPHA should develop and state here its plans for eventual destruction of VAWA-related information when its use has been accomplished.

RESPONSE: MPHA will provide VAWA protection a appropriate and declines to make change.

16-VII. C. Data Collection And Record Keeping

- Page 16-34

In this section of the Draft Administrative Plan the MPHA the “public health department(s) has stated they **do not** wish to receive a report . . .” so the MPHA is not providing the information to them. The federal regulation at 24 C.F.R. § 35.1225 (f) (2009) states that the MPHA is not obligated to provide quarterly reports of the names and addresses of children under age six (6) with intervention blood lead levels if the

public health department does not want these quarterly reports. The need to maintain the data remains even if the public health department does not want the quarterly reports sent to it, so this section of the Administrative Plan should be clarified so the MPHA's obligations to maintain the data is clear and this section is distinguished from the different data discussed *supra* at 16-VII. B.

RESPONSE: Thank you for your comments. MPHA maintains the date in conformance with the MN Government Data Privacy Act.

17-VI. B. Eligibility For PBV Assistance

- Page 17-31

This section of the Draft Administrative Plan regarding Project Based Voucher (PBV) tenants seeking a Tenant Based (TB) Voucher at the end of their first year of PB tenancy should be revised. It is not enough that the PBV family must pass the same eligibility screening that others on the TB waiting list have passed. It is also crucial to make it clear where that PB family will be placed on the TB Voucher waiting list. The PB Voucher family should not be placed ahead of thousands of people who have been on the MPHA Housing Choice Voucher waiting list for years. Placing the PB Voucher family ahead of these others raises serious questions of fairness and equity. The process for the award of Tenant-Based Vouchers to those who wish to leave the Project Based Voucher units after their first year must be a process developed with input from the community. It should be included in the MTW Plan, or if not known yet, then it should be stated how the MPHA will provide at least a 30 day notice-and-comment period for its proposal to solicit input from the applicants, residents, and the community before it adopts a strategy.

RESPONSE: Thank you for your comments.

This section refers to the PB Voucher holder transferring to the TB waiting list passing the "MPHA Screening Guidelines". The "MPHA Screening Guidelines" attached to the Draft Admin Plan as part of Appendix G cites regulations are applicable only to MPHA Public Housing applicants. Appendix G has additional problems described *infra*. This section must be revised to comply with the laws and regulations that apply to Section 8 housing. In addition whatever is proposed for this section regarding eligibility screening must not conflict with other admission standards established in the Admin Plan.

RESPONSE: MPHA is revising Appendix G for its Section 8 HCV Program.

17-VI. E. Offer Of PBV Assistance

Persons with Limited English Proficiencies

- Page 17-35

This section of the PBV process in the Draft Administrative Plan must be revised to include the obligations to LEP families under Title VI of the Civil Rights Act of 1964, 42 U.S.C.

§ 2000d (2009), and HUD LEP Guidance 72 F.R. 2732 (Jan. 22, 2007). A mere reference to the MPHA's LEP Policy in Appendix D will suffice only if the reference includes the specific points in Appendix D that cover the family's rights.

RESPONSE: Thank you for your comments.

17-VI. G. Tenant Screening

PHA Responsibility

- Page 17-37
This section on PBV screening states that the MPHA will disclose current and prior addresses of a participant family. This section of the Draft Administrative Plan must have an exception added to prevent the disclosure of the data for those participants covered by the VAWA. A reference to the VAWA Policy at Appendix F will be insufficient as explained *supra* in regard to 3-III.D. at page 3-24.

RESPONSE: MPHA will provide VAWA protection as appropriate and declines to make change.

Chapter 18 Self Sufficiency

18-I. E. Escrow Account

- Page 18-2
This section needs to be revised. It states that the escrow account can be forfeited upon non-payment of rent. However, the same section states that the MPHA may make a portion of the escrow available before the FSS program is completed in order to meet an "interim goal, such as education". A participant should be able to use a portion of his/her savings in escrow to pay for a portion of rent itself for a one-time emergency. Otherwise, the whole purpose of the program is thwarted if the tenant is evicted and the escrow account forfeited. The availability of escrow funds during the program should be more flexible than simply to meet interim goals.

RESPONSE: Thank you for your comments.

18-1. H. FSS Contract Completion

- Page 18-4
This section needs to be revised. Number 4 of this section is too vague. It allows for *ad hoc* determinations of acts deemed inconsistent with purposes of FSS, which could be practically anything the participant does to agitate the program officials. The basis for termination should include clear rules or guidelines that make up the contract, rather than vague clauses such as this that allow termination for anything. The MPHA's choice in

regard to this policy puts the MPHA at risk of using its resources to defend legal challenges.

RESPONSE: We have removed Number 4 and added the following to Number 6: “including termination from the Section 8 HCV Program for family obligations.”

Number 7 of this section should require mandatory payment of the escrow (to date) to the tenant if contract termination is based on a lack of resources. As long as FSS guidelines are followed, the tenant participant should not be left with the possibility of not receiving any of their escrow accrual due to financing situations beyond their control. The MPHA’s choice in regard to this policy puts the MPHA at risk of using its resources to defend legal challenges.

RESPONSE: Thank you for your comments.

Chapter 19 HUD-VASH

- Page 19-1

It is not clear how this section relates to the VASH information in Appendix C, at page C-14 of the Draft Admin Plan. All of the VASH material should be located in one section.

RESPONSE: We have removed reference to VASH from Appendix C.

APPENDIX D: Limited English Proficiency (LEP) Plan

- The MPHA has used the same LEP Plan for the Public Housing Statement of Policies and the Section 8 Administrative Plan. The MPHA responded to comments we provided on the LEP Plan in September 2010 prior to the adoption of the MPHA MTW Plan and Public Housing Statement of Policies. It does not appear that the changes the MPHA said it would make at that time have been incorporated into the LEP Plan included in the Draft Admin Plan as Appendix D.

RESPONSE: MPHA will make appropriate changes in Appendix D to appropriately correspond to revisions made to Agency Limited English Proficiency Policy.

- Please refer to the comments we submitted September 3, 2010, on the LEP Plan and respond to the issues and concerns raised in regard to the Section 8 Admin Plan for MPHA Section 8 Programs. We hope that some of the issues that we have raised repeatedly will receive careful consideration and the MPHA will take this additional opportunity to make the changes requested.

RESPONSE: MPHA will make appropriate changes in Appendix D to appropriately correspond to revisions made to Agency’s Limited English Proficiency Policy.

Chuck Lutz, Cora McCorvey, Mary Abrahamson and Carol Kubic, Esq.
October 26, 2010
Page 33

Appendix E: Reasonable Accommodation Policy

- The MPHA has used the same Reasonable Accommodation Policy for the Public Housing Statement of Policies and the Section 8 Administrative Plan. The MPHA responded to comments we provided on the Reasonable Accommodation Policy in September 2010 prior to the adoption of the MPHA MTW Plan and Public Housing Statement of Policies. It is not clear that any changes the MPHA said it would make at that time to the Reasonable Accommodation Policy have been incorporated into the Reasonable Accommodation Policy included in the Draft Admin Plan as Appendix D.

RESPONSE: MPHA will make appropriate changes in Appendix E to appropriately correspond to revisions made to Agency's Reasonable Accommodation Policy.

- Please refer to the comments we submitted September 3, 2010, on the Reasonable Accommodation Policy and respond to those for the Section 8 Admin Plan for MPHA Section 8 Programs. We hope that some of the issues that we have raised repeatedly will receive careful consideration and the MPHA will take this additional opportunity to make the changes requested.

RESPONSE: MPHA will make appropriate changes in Appendix E to appropriately correspond to revisions made to Agency's Reasonable Accommodation Policy.

Appendix F: Violence Against Women Act Policy

- The MPHA has used the same Violence Against Women Act (VAWA) Policy for the Public Housing Statement of Policies and the Section 8 Administrative Plan. The MPHA responded to comments we provided on the VAWA Policy in September 2010 prior to the adoption of the MPHA MTW Plan and Public Housing Statement of Policies. It is not clear that any changes the MPHA said it would make at that time to the VAWA Policy have been incorporated into the VAWA Policy included in the Draft Admin Plan as Appendix D.

RESPONSE: MPHA will make appropriate changes in Appendix F to appropriately correspond to revisions made to Agency's VAWA Policy.

- Please refer to the comments we submitted September 3, 2010, on the VAWA Policy and respond to those for the Section 8 Admin Plan for MPHA Section 8 Programs. We hope that some of the issues that we have raised repeatedly will receive careful consideration and the MPHA will take this additional opportunity to make the changes requested.

RESPONSE: MPHA will make appropriate changes in Appendix F to appropriately correspond to revisions made to Agency's VAWA Policy.

Appendix G: Section 8 Housing Choice Voucher Program Criminal, Drug Treatment and Registered Sex Offender Background Check Procedure

- Appendix G is not cited in any of the sections of the Draft Admin Plan that deal with eligibility issues. If the MPHA proceeds to adopt Appendix G in some form, after the revisions it needs to comply with the law, every section of the rest of the Admin Plan that is affected by the Appendix will need to be revised both substantively (since there are numerous conflicts) and with appropriate cross-references.

RESPONSE: MPHA will revise.

- The process described here does not comply with 24 C.F.R. § 5.903 (2010) regarding accessing criminal records. This Appendix must be revised.

RESPONSE: MPHA will revise.

- The repeated references to drug treatment records in this section have no basis in law. If the MPHA chooses to adopt Appendix G as proposed it risks use of its resources to defend legal challenges to it.

RESPONSE: MPHA will remove references to drug treatment records.

- MPHA's "Applicant MPHA's "Applicant Screening Guidelines" which are within Appendix G, at pages G-5 through G-12, are not applicable to Section 8 Voucher Programs. The regulations cited in the "Guidelines" apply solely to Public Housing.

RESPONSE: MPHA will revise its Appendix G to appropriately correspond to the Section 8 Housing Choice Voucher Program.

We hope that these comments will be used to revise the Draft Section 8 Administrative Plan 2011 before it is presented for approval by the MPHA Board of Commissioners on October 27, 2010.

If you have any questions regarding the points we have raised, please contact me.

Sincerely,

Dorinda L. Wider
Attorney at Law

DLW:nh

**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, 2011, 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 and conducted a public hearing to discuss the Plan and invited public comment.
2. The Agency took into consideration public and resident comment 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 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.
4. The PHA will affirmatively further fair housing by examining their 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.
5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
6. 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.
7. 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.
8. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
9. 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.
10. 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.
11. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
13. 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.

14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.

15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.

16. 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.).

17. 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.

18. 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)

Charles T. Lutz

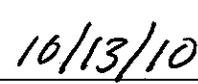
Name of Authorized Official

Chair, MPHA Board of Commissioners

Title



Signature



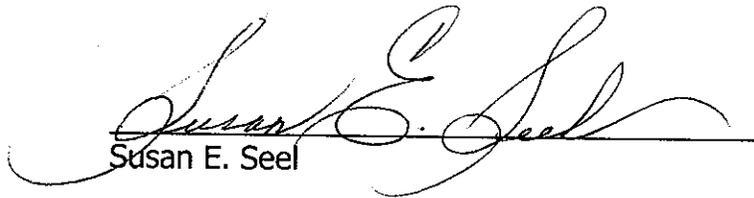
Date

CERTIFICATE

I, **Susan E. Seel**, Assistant to the Executive Director and Board of Commissioners of the Minneapolis Public Housing Authority in and for the City of Minneapolis, do hereby certify that the attached **RESOLUTION** was duly adopted at a regular meeting of the Board of Commissioners of said Authority, held on September 22, 2010, 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 22nd day of September, 2010.

I DO HEREBY CERTIFY THAT I AM DULY AUTHORIZED TO EXECUTE THIS CERTIFICATE.


Susan E. Seel

(SEAL)



September 22, 2010

2 (Revised)

REPORT TO THE COMMISSIONERS

FROM: Cora McCorvey, Executive Director

SUBJECT: Adoption of Resolution Approving MPHA FY 2011 Moving To Work (MTW) Plan and Changes to the MPHA Statement Of Policies

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 which replaces the MPHA Annual Plan. On July 6, 2008, the Board approved MPHA's first MTW Plan under this new agreement.

Resident Notification: The MPHA Board of Commissioners appointed the 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 involvement in the MTW Plan process.

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 FY2011 MTW Plan and forward it to HUD pursuant to the requirements in the MTW Agreement and approve changes to the Statement of Policies and the new MPHA Community Space Use Policy.

The MPHA MTW Plan, as noted above, is a requirement of the Revised Standard Moving To Work Agreement between HUD and MPHA. The MTW Plan contains an Executive Summary, General Housing Authority Information, MPHA's Long Term MTW Vision, information on MPHA's proposed MTW Initiatives, updates on MPHA's on-going MTW and other significant activities, MPHA's MTW Budget and various other administrative information, including the Comments and Responses regarding the MTW Plan.

Also included for consideration as part of the MTW Plan process are proposed changes to: MPHA Statement of Policies and Adoption of MPHA Community Space Use Policy.

As is its tradition, MPHA used extraordinary efforts to solicit input in its development of the MTW Plan and consideration of changes to its policies. 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.

In addition, MPHA attended information gathering meetings with highrise residents, family and scattered site residents as well as sought comments from community partners and advocacy groups. Information gathered from these meetings was utilized in developing the Draft MTW Plan, and gathering feedback on MPHA's proposed initiatives as well as proposed changes to MPHA's policies. The MPHA Board of Commissioners sought additional feedback at a public hearing on August 25, 2010.

The Comments and Responses Section of the MTW Plan lists the comments by the MTW Resident Advisory Board, attendees at the public hearing, as well as comments by various resident organizations, key constituencies and individual residents as well as includes MPHA responses and changes to the Draft MTW Plan and policies based upon the comments received.

The MTW Plan is required to be submitted to HUD prior to October 15 2010.

This report was prepared by Bob Boyd, Director of Policy and Special Initiatives. For Further information, please call Mr. Boyd at (612) 342-1437.

RESOLUTION No. 10-117

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 full status Moving To Work agreement requires MPHA to create an annual Moving To Work Plan; and

WHEREAS, MPHA is required to submit the Moving To Work Plan to HUD prior to October 15, 2010;

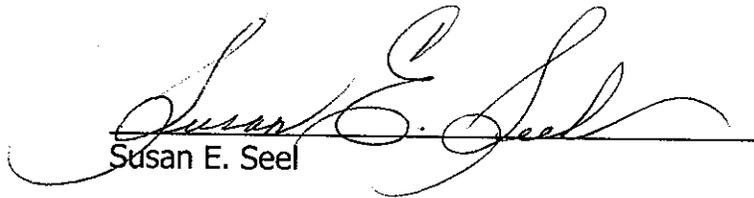
NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of MPHA that the 2011 Moving To Work (MTW) Plan is approved and that the Executive Director is authorized to submit it to HUD for approval as required by the agreement.

CERTIFICATE

I, **Susan E. Seel**, Assistant to the Executive Director and Board of Commissioners of the Minneapolis Public Housing Authority in and for the City of Minneapolis, do hereby certify that the attached **RESOLUTION** was duly adopted at a regular meeting of the Board of Commissioners of said Authority, held on September 22, 2010, 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 22nd day of September, 2010.

I DO HEREBY CERTIFY THAT I AM DULY AUTHORIZED TO EXECUTE THIS CERTIFICATE.


Susan E. Seel

(SEAL)



September 22, 2010

2 (Revised)

REPORT TO THE COMMISSIONERS

FROM: Cora McCorvey, Executive Director

SUBJECT: Adoption of Resolution Approving MPHA FY 2011 Moving To Work (MTW) Plan and Changes to the MPHA Statement Of Policies

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 which replaces the MPHA Annual Plan. On July 6, 2008, the Board approved MPHA's first MTW Plan under this new agreement.

Resident Notification: The MPHA Board of Commissioners appointed the 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 involvement in the MTW Plan process.

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 FY2011 MTW Plan and forward it to HUD pursuant to the requirements in the MTW Agreement and approve changes to the Statement of Policies and the new MPHA Community Space Use Policy.

The MPHA MTW Plan, as noted above, is a requirement of the Revised Standard Moving To Work Agreement between HUD and MPHA. The MTW Plan contains an Executive Summary, General Housing Authority Information, MPHA's Long Term MTW Vision, information on MPHA's proposed MTW Initiatives, updates on MPHA's on-going MTW and other significant activities, MPHA's MTW Budget and various other administrative information, including the Comments and Responses regarding the MTW Plan.

Also included for consideration as part of the MTW Plan process are proposed changes to: MPHA Statement of Policies and Adoption of MPHA Community Space Use Policy.

As is its tradition, MPHA used extraordinary efforts to solicit input in its development of the MTW Plan and consideration of changes to its policies. 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.

In addition, MPHA attended information gathering meetings with highrise residents, family and scattered site residents as well as sought comments from community partners and advocacy groups. Information gathered from these meetings was utilized in developing the Draft MTW Plan, and gathering feedback on MPHA's proposed initiatives as well as proposed changes to MPHA's policies. The MPHA Board of Commissioners sought additional feedback at a public hearing on August 25, 2010.

The Comments and Responses Section of the MTW Plan lists the comments by the MTW Resident Advisory Board, attendees at the public hearing, as well as comments by various resident organizations, key constituencies and individual residents as well as includes MPHA responses and changes to the Draft MTW Plan and policies based upon the comments received.

The MTW Plan is required to be submitted to HUD prior to October 15, 2010.

This report was prepared by Bob Boyd, Director of Policy and Special Initiatives. For further information, please call Mr. Boyd at (612) 342-1437.

RESOLUTION No. 10-117

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 full status Moving To Work agreement requires MPHA to create an annual Moving To Work Plan; and

WHEREAS, MPHA is required to submit the Moving To Work Plan to HUD prior to October 15, 2010;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of MPHA that the 2011 Moving To Work (MTW) Plan is approved and that the Executive Director is authorized to submit it to HUD for approval as required by the agreement.



January 14, 2011

Ivan M. Pour, MTW Program Director
U.S. Department of Housing and Urban Development
PIH – Office of Public Housing Investments
451 Seventh Street SW, Suite 4130
Washington, DC 20410

RE: Amendment to MPHA 2011 MTW Plan

Dear Mr. Pour:

The Minneapolis Public Housing Authority (MPHA) is proposing an Amendment to MPHA's 2011 MTW Plan. Staff discussed this possible amendment with MTW HUD staff at the site visit in August, 2010.

Enclosed you will find the Draft MTW Amendment along with the approved Board Report and Resolution dated December 15, 2010, the notice of public hearing along with the 'Comments and Responses' received during the review period. Please be advised that MPHA reviewed and followed the requirements under the MTW Agreement for amending the MTW Plan. Below you will find a brief history and description of the proposed amendment.

History:

Two years ago, MPHA adopted a revision to its Statement of Policies that changed MPHA's absence from unit policy from 90 to 60 days. After a year of this policy being in effect, residents asked MPHA to reconsider the 60-day limit, presenting the impact of this policy on a number of residents, especially immigrant communities who had to face a unique set of circumstances to visit their homeland and reconnect with their families. MPHA heard and responded to these concerns by rescinding the 60-day policy and reinstating the previous 90-day policy. The MPHA Board affirmed this action at its September 22, 2010 meeting when it approved MPHA's 2011 MTW Plan.

While MPHA was considering the action regarding changing the absence from unit policy from 60 back to 90 days, a number of questions arose concerning the public policy implications of not only allowing a resident to be absent and their unit vacant for a quarter of a year with the high demands in the community for affordable housing, but also that some residents who take advantage of this policy could have their obligation to pay rent significantly reduced. For example, if a resident temporarily lost their income due to an absence from the unit, their requirement to pay rent would be similarly reduced. MPHA believes that allowing a resident to be absent from the unit and be also relieved of their obligation to pay rent for the time they are absent from the unit is not good public policy.

Initiative Summary:

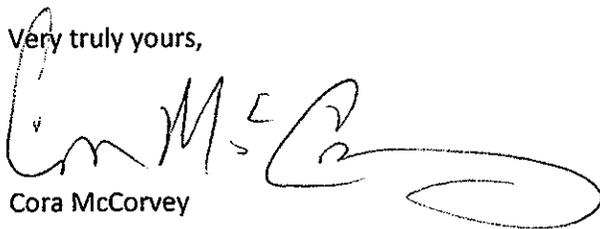
MPHA is proposing to utilize its MTW authority to address this concern by adopting a MTW Initiative that would continue the rent obligation for residents whose incomes are temporarily reduced due to being absent from the unit for more than 30 days. This initiative recognizes that residents who lose income should not be put in a position that would not allow them to be absent from the unit even if the decision to be absent resulted in a loss of income. MPHA's proposal would allow residents who temporarily lose income due to absence from the unit, to request a hardship and have their rent reduced to the minimum rent during their absence. However, as this is a temporary loss of income, MPHA's initiative would mimic the current minimum rent hardship policy that requires the resident to pay back the uncollected portion of rent that is suspended for the period that the income is temporarily lost.

This action would relieve the resident from having to pay the full rent owed during their absence, but would require the resident to repay the uncollected rent over a 12-month period. As this action is an amendment to MPHA's MTW Plan it requires a notice and review period, including a public hearing. MPHA published notice of its proposal, made the proposal available to public housing residents and Section 8 Housing Choice Voucher participants and held a public hearing on October 27, 2010.

MPHA has successfully completed the MTW Plan amendment process, including publishing notice of the proposed MTW initiative Plan Amendment, having a comment period in excess of 30 days, with a review by the MTW Resident Advisory Board, (RAB), and having a public hearing before the MPHA Board of Commissioners. It should be noted that most residents and their respective organizations opposed the amendment. The MPHA Board, considered the resident comments, but felt the proposed initiative promoted good public policy and was in concert with the purpose of the MTW program requirements and subsequently passed the resolution supporting the initiative. MPHA is also enclosing resident comments received regarding this proposal.

Thank you for your consideration of this request. If you have questions or need additional information regarding this matter, please contact Bob Boyd, MPHA Director of Policy and Special Initiatives, at (612) 342-1437. Bob is the MPHA staff person responsible for this initiative and overseeing the MTW Plan Amendment process.

Very truly yours,



Cora McCorvey
Executive Director/CEO

cc: Bob Boyd

ABSENCE FROM UNIT INITIATIVE

A. Description of Activity

The Absence from Unit Initiative continues the 'calculated' rent obligation for residents and participants whose incomes are temporarily reduced due to an absence from the unit for more than 30 days. Under this Initiative residents who temporarily lose income due to an absence from the unit, may request minimum rent. The hardship provision of this Initiative is modeled on MPHA's current minimum rent hardship exemption policy which complies with federal law and regulation. If the hardship is temporary the resident/participant will have 12 months to repay the suspended calculated rent and if permanent the calculated rent will be changed.

B. MTW Statutory Objective

Reduce cost and achieve greater cost effectiveness in federal expenditures.

C. Anticipated Impacts

The anticipated impact of this activity is to preserve limited federal resources resulting when a resident/participant takes an extended leave from the unit and subsequently requests a reduction in rent due to a temporary loss in income.

D. Baseline and Benchmarks

Each year over 100 residents and participants request a rent reduction because of a loss in income due to extended travel away from the unit of 30 days or more. These absences from the unit may result in a loss of earned income and government benefits.

Baselines for this activity:

- 100 residents / participants on average per year request a reduction in rent due to temporary loss of income resulting from a reduction in income when absent from the unit for 30 days or more;
- No residents or participants enter into a repayment agreement; and

- No residents or participants request hardship exception.

Benchmarks:

- 100 residents/participants inform MPHA of an absence from unit of 30 days or more;
- 60 residents/participants request a hardship reduction in rent due to temporary loss of income resulting from an absence of 30 days or more;
- 60 residents sign a repayment agreement with MPHA to repay the rent suspended during the temporary hardship within a 12 month period;
- 40 residents/participants pay “calculated” rent even though the absence from the unit results in a temporary loss of income; and
- 40 fewer requests to reduce rent during an absence from the unit.

E. Data Collection & Metrics

MPHA’s Lease, Statement of Policies and Section 8 Administrative plan require Heads of Households who will be absent from the unit for more than 30 days to provide written notice of intended absence. MPHA will compare the number of absence notices with the number of 2010 requests for rent reductions and hardship exceptions to determine the impact of the new Initiative.

Metrics will include:

- Change in the number of households providing notice of extended absence from units;
- Number of Households requesting a hardship in order to receive a interim recertification;
- Change in the level of rental income received annually; and
- Change in the level of HAP expenses annually

F. Authorization Cited

MTW Amended and Restated Agreement – Attachment C [C11 – Authorizations related to public housing only - Rent Policies and Term Limits] 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. D2 – Authorizations related to Section 8 only – Rent Policies and Term Limits 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.

G. Rent Reform Analysis:

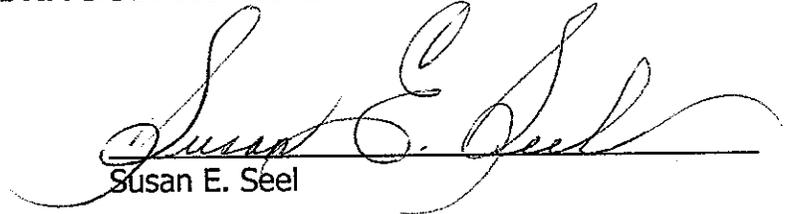
- **Action**
 - MPHA’s Board of Commissioners approved this Initiative at its December 15, 2010 meeting (See Attached)
- **Impact Analysis**
 - MPHA anticipates that this action may impact over 100 families per year. Like market rate tenants, residents/participants who take extended leaves from their units plan should include a strategy for paying rent. MPHA, in accordance with the MTW requirements, allows for hardship requests under this initiative.
- **Annual Reevaluation of Rent Reform initiative**
 - MPHA will review this Initiative’s impact on families and MPHA on an annual basis and will recommend changes as appropriate.
- **Hardship Case Criteria**
 - MPHA will grant a hardship and suspend “calculated” rent to minimum rent for absences of 30 days or more where there is a temporary loss of income. In these cases the client will sign a repayment agreement to repay the suspended rent in 12 months.
- **Transition Period**
 - This proposed Initiative was vetted by residents, discussed in a public hearing and approved by the MPHA Board. MPHA will implement this Initiative once approved by HUD.
- **Public Hearing**
 - This proposed Initiative has gone through an extensive public and resident review period which included special meetings with various resident groups and was discussed at a public hearing held on October 27, 2010. (See attached)

CERTIFICATE

I, **Susan E. Seel**, Assistant to the Executive Director and Board of Commissioners of the Minneapolis Public Housing Authority in and for the City of Minneapolis, do hereby certify that the attached **RESOLUTION** was duly adopted at a regular meeting of the Board of Commissioners of said Authority, held on December 15, 2010, 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 15th day of December, 2010.

I DO HEREBY CERTIFY THAT I AM DULY AUTHORIZED TO EXECUTE THIS CERTIFICATE.


Susan E. Seel

(SEAL)



December 15, 2010

REPORT TO THE COMMISSIONERS

FROM: Cora McCorvey, Executive Director

SUBJECT: Adoption of Resolution Approving an Amendment to the 2011 MPHA Moving To Work Plan

Previous Directives: In January 2008, MPHA signed the Amended and Restated Moving To Work (MTW) Agreement. On July 09, 2008 MPHA's Board of Commissioners approved MPHA's first Annual Moving To Work (MTW) Plan and later approved an Amendment to the MTW Agreement and Annual MTW Plan.

Resident Notification: A draft Amendment to the 2011 MTW Plan was presented and reviewed by the MTW Resident Advisory Board (RAB). RAB is opposing this action and TAC will provide its recommendation prior to the Board meeting.

Impact on Budget: This is a policy recommendation that will have a limited positive impact on MPHA's budget.

Procurement Review: Not applicable.

Recommendation: It is recommended that the Board of Commissioners adopt a resolution approving the 'Absence from Unit' Amendment to the MPHA's 2011 MTW Plan.

MPHA signed a new Moving To Work (MTW) Agreement with the United States Department of Housing and Urban Development (HUD) in 2007. This Agreement authorizes MPHA to waive certain rules and regulations to implement programs and services which are responsive to the Agency's mission and the needs of the community and which create good public policy.

Two years ago, MPHA adopted a revision to its Statement of Policies (SOP) that changed the number of days that a tenant may be absent from unit policy from 90 to 60 days. After a year of this policy being in effect, residents asked MPHA to reconsider the 60 day limit. In response to residents' concerns, the Board reinstated the previous 90 day absence policy on September 22, 2010 meeting when it approved MPHA's 2011 MTW Plan. At that meeting the Board asked Staff to explore the obligation of residents and Voucher participants to pay rent during the up to 90 day absence.

In response and under its MTW authority, Staff is proposing a MTW Initiative that would continue the "calculated" rent obligation for residents and participants whose incomes are temporarily reduced due to an absence from the unit for more than 30 days. The initiative would allow residents who temporarily lose income due to an absence from the unit, to request minimum rent. The initiative is modeled on the current minimum rent and hardship exemption policy in that the resident/participant will have 12 months to repay the suspended calculated rent based upon a temporary hardship.

DOCUMENT NO. 10-40

The initiative will relieve the resident from having to pay full rent during their absence, but would require the resident to repay the uncollected rent in a 12 month repayment agreement. As an amendment to MPHA's MTW Plan, this initiative requires a notice, review period, and a public hearing. MPHA published notice of its proposal, made the proposal available to residents and Section 8 Housing Choice Voucher participants and held a public hearing on October 27, 2010.

During the review process, Staff presented the following public policy concerns to residents:

- a. Persons on the MPHA's waiting lists and others with incomes and circumstances similar to those of MPHA residents/participants who lose income due to an absence from their unit, are required to pay rent or risk a loss of their housing.
- b. Historically about 100 residents per year report an extended absence from their unit and request a reduction in rent. The initiative permits all MPHA residents and program participants the opportunity to be absent from the unit and a request a temporary exemption to paying rent.
- c. Thousands of persons on MPHA's waiting lists need affordable housing. Allowing residents to be absent from their unit for a quarter of a year or 90 days and to reduce their rent to minimum rent or less is poor public policy and a poor use of public funds. This is especially true during the current economic crisis resulting in a loss of jobs, foreclosures of homes and a sense that government is not responding to the needs of families.

Of those residents who responded during the resident review process, most expressed opposition to the proposed initiative. The RAB the Minneapolis Highrise Representative Council (MHRC) unanimously opposed the initiative. Please see the attached comments received during the process and MPHA response.

Staff has carefully considered the residents' opposition to this initiative and the public policy considerations favoring the initiative. Staff is recommending that the Board approve the MTW Absence from Unit Initiative. MPHA has a responsibility to advance good public policy and the fundamental obligation of all renters to pay rent. The initiative permits a fair mechanism to suspend the rent obligation for a temporary hardship and provides for a 12 month repayment agreement to repay the suspended rent.

This report was prepared by Bob Boyd, Director of Policy and Special Initiatives. For additional information, please contact Mr. Boyd at (612) 342-1437.

RESOLUTION NO. 10-119

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) and MPHA entered into an Amended and Restated Moving To Work (MTW) Agreement in January 2008 and; and

WHEREAS, the MPHA Board of Commissioners approved the MPHA's 2011 MTW Plan on September 22, 2010 and submitted it to HUD for approval in October 2010; and

WHEREAS, MPHA identified public policy concerns related to its absence from unit policy, approved by the MPHA Board in September, 2010; and

WHEREAS, MPHA published its 'Absence From Unit – Exception From Interim Rent Deduction' Initiative; and

WHEREAS, MPHA published notice of a public hearing and comment period on the 'Absence From Unit – Exception From Interim Rent Deduction' Initiative on September 18, 2010 with a public comment period through the October 27, 2010 public hearing; and

WHEREAS, MPHA met the requirements of its MTW Agreement with HUD necessary to amend the MTW Plan; and

WHEREAS, the MPHA Board of Commissioners reviewed and considered the comments received during the comment period;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Minneapolis Public Housing Authority, that the proposed Amendment to the MPHA 2011 MTW Plan be approved and that the Executive Director is authorized to submit the MTW 2011 Plan Amendment to HUD for approval as required.

Comments – Absent from Unit/Rent Initiative

Public Hearing/Resident Advisory Board

I. Concerns about losing income and having to pay rent back upon return.

- Travel outside of the country is often unexpected and on an emergency basis. It's not like we're going on vacation. How can residents gather funds for travel and be expected to pay their full rent when they have no income? This doesn't seem fair.
- A loss of income while someone is gone cannot be replaced. In that case residents who leave the country for family emergencies would face a double hardship
- The amount we're trying to travel with is hard to collect. When we return, we have to pay back the money we borrowed for the trip. You're not concerned about people; you're concerned about money.
- People here have limited incomes. We can't afford to pay back rent because we never get that lost income back. It's not fair to compare us to people in the private market.
- If a resident leaves the country their income is resumed but never restored. Minimum rent is more than sufficient to hold the unit. 30% of zero is zero.
- It took nearly 10 years time to get here...though income goes to zero when we get to the airport. How can we pay back our rent when we return?
- Why would this be the first time we'd have to pay 30% based on old income we used to get. The reason we leave the country is always for an important reason.
- Thank you for the hardship exemption, though my income is just not enough. It's a burden to travel. Please look into another means without us having to pay money back when we return. Another alternative please.
- Public housing was created as a social safety net for very low-income people. Rent has always been based on 30% of income and if that income decreases, for whatever reason, whether at home or away, we have always had the assurance that our rent would be adjusted.
- It's not fair to the person who leaves the country – it's not their fault that the government cuts off their SSI.

II. Emergency Exceptions

- Urge consideration of emergency / medical exemption and to extend to family members
- What happens if someone has to quit her job to go out of state to take care of a parent after surgery? Will they have to continue paying full rent since they are “voluntarily” losing their income?
- What if something should happen where I fall and break a hip? If I’m put in a nursing home for 3 plus months shouldn’t the apartment be held for me without a charge?
- It’s much more than just an economic hardship – there are great mental and emotional hardships as well. I recommend that rent be set at the absolute minimum when residents are dealing with such hardships in concern that residents might lose their home otherwise

III. Alternatives to Charging Residents

- One thing is clear: MPHA wants the money. Another thing is clear: we don’t have the money. Please ask to get money from elsewhere, respectively....just as HUD provides the subsidy.
- I respectfully understand the issue, though I ask that leadership figure out other ways to make payment please.
- I’m very moved by the residents’ testimony. I’ve heard many personal stories of residents who have never seen grandchildren or family. It’s not a financial issue. The public housing authority could recoup the money – it’s in the federal plan. I believe we should allow new Americans to take leave if necessary. The reality of making residents pay back the money creates incredible burden. It doesn’t save the PHA money. They may be newly homeless when return – and it would cost more – it’s about \$1,000 a month to put someone in a homeless shelter. From a public policy standpoint this doesn’t make sense.

IV. Other

- I’ve been a resident for 23 years. I’d propose to give residents 2 years instead of 1 year to pay back the money. Pay \$25 for rent as a fair compromise.
- How does someone paying full or partial rent affect anyone on the waiting list?
- I agree somewhat with this proposal but what’s next? You’re the government...

- We're elders; just because we live in public housing doesn't mean we shouldn't be heard.
- I hope you can be sympathetic to our backgrounds. Sometimes it seems public officials are so distant from us.

Matt Gerard, MPHA Resident Commissioner and MHRC President

Fellow Commissioners,

I will be brief in my remarks. I wish to join in support of the recommendations of the MPHA's Resident Advisory Board and the MHRC's Diversity committee in urging you to vote to withdraw from consideration this proposed amendment to our Moving to Work Plan which would enable MPHA to bypass federal regulations and deny rent adjustments for residents who are away from their homes for 30 days or more.

Over the past month, residents have spoken loud and clear that this initiative would hurt residents, especially our immigrant and refugee neighbors, by limiting their ability to return to their homelands, often to locate family members from whom they have become separated or to say goodbye to a family member, perhaps for the last time.

Public housing was created as a social safety net for our country's poorest citizens. Immigrant and refugee residents who receive only SSI have an income of just over \$7,000 a year. We have always had the assurance that our rent will be based on 30% of adjusted income, and that if that income is lost (which is the case for anyone receiving government benefits who leaves the country), that our rent would be adjusted accordingly, without judgment or blame. And let's remember, we will always pay the minimum rent which is currently \$50 a month and increases to \$75 a month in January, regardless of our income status.

We already know, according to MPHA's own estimates, that the amount of rent currently lost because of international travel by residents only amounts to about \$45,000 a year, and that all, or nearly all of that, is paid back to the MPHA the following year in a subsidy adjustment from HUD.

As residents, we understand better than anyone how long and frustrating the wait for public housing can be, and we appreciate more than anyone having the opportunity to live in public housing. But we also deserve the basic dignity and right to leave our homes for a short while if needed and to not have obstacles, like this proposed amendment, stand in the way. Honestly, whether we pay full rent or minimum rent, it does not impact in any way those who are on the public housing waiting list.

Thank you for your time and again, I strongly encourage a "No" vote on this proposed amendment.

Petition from residents of 1515 Park Avenue South

We, the residents of 1515 Park Avenue South, oppose the proposal of MPHA to not allow rent reduction during a tenants extended absence from the apartment even if he loses his income either through SSI or otherwise (i.e. employment). Since this policy was not in place earlier, why such an introduction now? First, MPHA reduced the allowable absence from 90 days to 60 days and then they recently reinstated an allowance of 90 days of consecutive absence. We appreciate that you realized that 60 days was not sufficient for many of the MPHA tenants.

If our lease is adjusted to be 30% of income, then it does not make sense to us to create stipulation contrary to this. Many of us live on very limited incomes and struggle to make ends meet each month. For those whose only source of income is SSI, not having rent adjusted while away is a major financial constraint. It would be difficult to be able to pay that money back after returning home. Therefore kindly we look into our problem and seek support and resolution. Thank you.

Jim Anderson, Chair of MPHA's Resident Advisory Board

After much discussion on the matter, I am here to advise you that at our meeting yesterday, the Resident Advisory Board voted unanimously to recommend to the MPHA Board of Commissioners to withdraw from consideration the proposed MTW amendment that would disallow rent reductions during extended absences and retain the current policy and practice regarding this matter.

Date: December 8, 2010

MPHA MTW Rent Initiative – Absence from Unit

Response to Comments

On September 16, 2010, MPHA Staff proposed an Amendment to its 2011 MTW Plan to require public housing residents and Housing Choice Voucher participants (jointly residents) who take extended absences from their units and as a result lose income, to pay rent. This initiative requires MTW authority because it is an exception on how rents are calculated under current regulations. The comment period began on that date and closed at 3:00 p.m. October 27, 2010 after the Public Hearing.

Staff received numerous comments, most of which opposed the initiative. In addition, a petition from the residents at 1515 Park, Minneapolis Highrise Representative Council (MHRC) President and Resident Commissioner Matt Gerard opposed the initiative. Also, the MTW Resident Advisory Board (RAB) unanimously opposed the initiative. The comments and petition are attached.

Most of the comments are similar in theme and reflect the individual commenter's experience and feelings regarding the proposed initiative. Rather than respond to each comment which would result in numerous repetitive responses, Staff offers the following comprehensive response.

Fairness

MPHA has about 12,000 persons on its Section 8 waiting list and 9,000 on its public housing waiting lists. Most persons on the waiting list have incomes and circumstances similar to current residents, except that current residents receive a rent subsidy. A person on a waiting list who takes an extended leave from their housing situation, which could result in a loss of income due to the loss of a job or loss of Supplemental Security Income (SSI), does not receive a reduction in rent or housing costs.

With no change in policy, MPHA would be required to maintain a vacant unit for a quarter of a year (90 days) and experience a loss in rental income. Staff is concerned that this is fundamentally unfair to persons on the waiting list and to others who pay the taxes that provide the rent subsidy.

Housing Safety Net

Staff recognizes that residents may have circumstances that require them to be gone from their units for an extended period of time. Because of this acknowledgement, MPHA changed its policy to allow for a 90 day absence instead of 60 days. Staff also recognizes that such an absence may result in a loss of income. Unlike the private market person who chooses to be absent from their housing and may have to pay the full cost of their housing or risk the loss of their housing, the proposed initiative creates a safety net allowing MPHA residents to keep their housing.

The proposed initiative allows for a hardship exemption to paying calculated rent and a reduction to minimum rent. In those cases where the loss of income is temporary, the resident would repay the suspended calculated rent in a 12 month repayment agreement. A person in the private market does not have the opportunity of a temporary hardship or a repayment agreement.

Use of Tax Dollars

A limited number of public housing tenants, about 100 per year, have reported an absence per the policy and requested a rent reduction. While the loss of MPHA's rental income may be recaptured in the following year, the taxpayer ultimately pays for the rent loss. It is not good public policy for MPHA to create or adopt a policy that allows for both long absences and additional rent subsidy to fund those absences.

There is also the possibility that MPHA will not be reimbursed for all rent losses, in that the federal government may reduce the subsidy because of the loss of rent collected nationally. If MPHA and 100 other public housing authorities (PHA) each lost \$45,000 in rent revenues, HUD would have to fund an additional \$4.5 million to make up the loss. In these challenging economic times, Staff does think HUD or the taxpayer should fund the rent loss. Also, HUD may be unable to fund the loss and distribute fewer funds to all PHAs.

Staff believes good public policy requires an appreciation of the national as well as the local impact of our decisions. The proposed initiative addresses the larger public policy of conserving the tax dollars while also providing housing for the most needy.

Emergency

Staff is aware of emergencies and how stressful they can be on families. Whether a resident is going to California, Chicago or Somalia, and the absence results in a temporary loss of income, the initiative will allow for a suspension of calculated rent during the absence and the opportunity to repay the suspended rent over a 12 month period. The protection is available for all permissible absences regardless of whether an emergency exists.

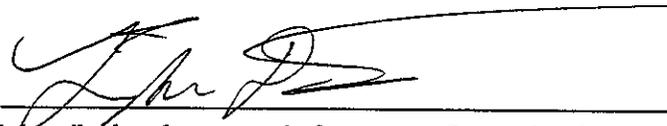
Conclusion

Staff carefully considered all current comments and the comments received during the comment period regarding the change in the absence policy from 60 to 90 days. Compelling reasons existed to permit an absence for up to 90 days and the change in this policy did not adversely affect good public policy. This initiative creates a reasonable balance between public policy concerns and the concerns of residents. It preserves a safety net as it lowers rent during the period of absence and preserves public resources.

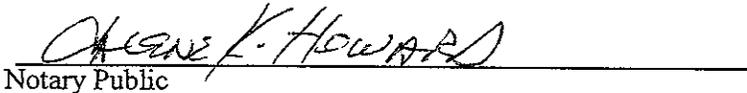
STATE OF MINNESOTA)
COUNTY OF HENNEPIN)

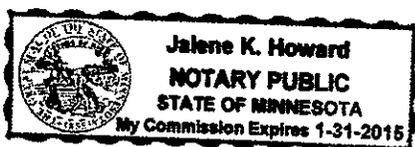
Linda Thies, being duly sworn, on oath says she is and during all times herein stated has been an employee of Star Tribune Media Company LLC, a Delaware limited liability company with offices at 425 Portland Avenue, Minneapolis, Minnesota 55488, publisher and printer of the *Star Tribune* newspaper (the "Newspaper"), published 7 days a week, and has full knowledge of the facts herein stated as follows:

1. The Newspaper meets the following qualifications:
 - (a) The Newspaper is printed in the English language in newspaper format and in column and sheet form equivalent in printed space to at least 1,000 square inches;
 - (b) The Newspaper is printed daily and distributed at least five days each week;
 - (c) In at least half of its issues each year, the Newspaper has no more than 75 percent of its printed space comprised of advertising material and paid public notices. In all of its issues each year, the Newspaper has not less than 25 percent of its news columns devoted to news of local interest to the community that it purports to serve. Not more than 25 percent of the Newspaper's non-advertising column inches in any issue duplicates any other publication;
 - (d) The Newspaper is circulated in the local public corporation which it purports to serve, and has at least 500 copies regularly delivered to paying subscribers;
 - (e) The Newspaper has its known office of issue established in either the county in which it lies, in whole or in part, the local public corporation which the Newspaper purports to serve, or in an adjoining county;
 - (f) The Newspaper files a copy of each issue immediately with the state historical society;
 - (g) The Newspaper is made available at single or subscription prices to any person, corporation, partnership, or other unincorporated association requesting the Newspaper and making the applicable payment;
 - (h) The Newspaper has complied with all the foregoing conditions for at least one year immediately preceding the date of the notice publication which is the subject of the Affidavit; and
 - (i) Between September 1 and December 31 of each year, the Newspaper publishes and submits to the secretary of state, along with a filing fee of \$25, a sworn United States Post Office periodical class statement of ownership and circulation.
2. The printed copy of the matter attached hereto (the "Notice") was copied from the columns of the Newspaper and was printed and published in the English language on the following days and dates:
Saturday, September 18, 2010.
3. Except as otherwise directed by a particular statute requiring publication of a public notice, the Notice was printed in a typeface no smaller than six point with a lowercase alphabet of 90 point.
4. The Newspaper's lowest classified rate paid by commercial users for space comparable to the space in which the Notice was published is **\$105.40.**



Subscribed and sworn to before me on September 21, 2010


Notary Public



Mary Abrahamson
Mpls Public Housing Authority
1001 Washington Ave N
Minneapolis, MN 55401

12736390

31 Lines

Class 203

**NOTICE OF
COMMENT PERIOD
AND PUBLIC
HEARING**

Minneapolis Public Housing Authority (MPHA) has drafted an amendment to its Moving To Work Agreement and also has proposed changes to its 2010 Section B Administrative Plan. These documents are available for review and comment at MPHA's offices, 1001 Washington Avenue N, Minneapolis or online at www.mphaonline.org beginning September 20, 2010 through the public hearing on October 27, 2010 at 1:30 p.m. at MPHA's administrative offices. MPHA's hours of operation are 8:00 a.m. to 4:30 p.m. For further information call (612) 342-1401.