



FY2013

DRAFT MOVING TO WORK

Annual Plan

DRAFT AVAILABLE FOR PUBLIC COMMENT

July 31, 2012 –September 6, 2012

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MINNEAPOLIS PUBLIC HOUSING AUTHORITY

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

FY2013 MOVING TO WORK ANNUAL PLAN

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I. Introduction/Executive Summary

To be included once the Plan is presented for approval by the MPHA Board of Commissioners.

II. General Housing Authority Operating Information

A. Housing Stock Information

Projected number of public housing units as of the beginning of FY2013 (January 1, 2013)

Minneapolis Public Housing Authority (MPHA) has 6,255 public housing units comprised of 753 scattered site units, 184 family units in its Glendale family development, 5,006 units in its 42 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	1085	7					1,344
4 – Northeast	190	749	5					944
5 – Hiawathas	78	801	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	4,326	387	539	267	53	9	6,255

Public Housing Units to be Added in FY2013

MPHA will seek funding for developing up to eight new units of family housing 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 considering creating additional senior housing and possibly a development initiative to create housing for very large families who currently are at risk of homelessness due to a lack of such housing in the city. MPHA understands that prior to moving forward with this specific proposal, the agency will take appropriate action to amend the MTW Plan and secure needed HUD approvals.

Public Housing Units to be Removed in FY2013

If successful in securing funds for the above development, MPHA intends to dispose of up to eight single family units from its AMP2. These units will be disposed as part of MPHA’s asset management plan to replace units that are difficult to rent and that have high operating, maintenance and capital needs with newly built units in clusters that are more efficient and cost effective to maintain and operate.

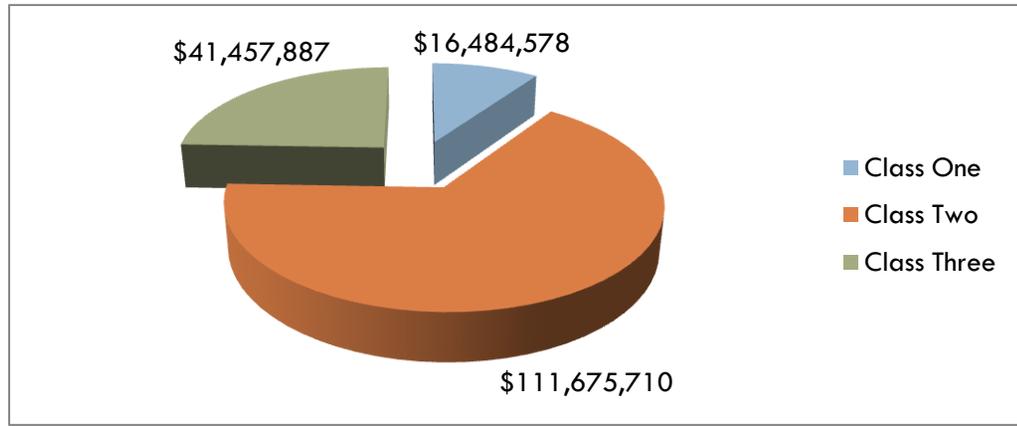
Under its MTW Agreement with HUD, MPHA is authorized to convert 112 units if its mixed financed public housing units to project based Section 8. However, this conversion is only valid through the demonstration and is not a permanent authorization. In addition, HUD is continuing funding for these units 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. MPHA included conversion of an additional 200 public housing mixed finance units in its 2011 MTW Plan and is negotiating with HUD regarding additional voucher resources for this initiative. If HUD approves and provides additional voucher resources, these units will also be removed from the MPHA’s public housing inventory.

General Description of Planned Significant Capital Expenditures – FY2013

Minneapolis Public Housing Authority's (MPHA) housing stock is comprised of 42 highrise buildings, 753 scattered site homes, 184 rowhouse units, and three maintenance, administrative, and service facilities. Forty of the forty two highrise buildings in MPHA's inventory were built in the 1960's and early 1970's; the age range of MPHA's single-family homes is 2 – 100+ years old, and our single remaining rowhouse development is 60 years old. The most recent needs analysis indicates an unmet capital need of approximately \$170 million over the next ten years for these public housing units. A comprehensive physical needs assessment is planned for 2013. 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 \$170 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 \$11 million of the \$16.4 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 ($FCI = \text{Need}/\text{Asset Value}$). 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.

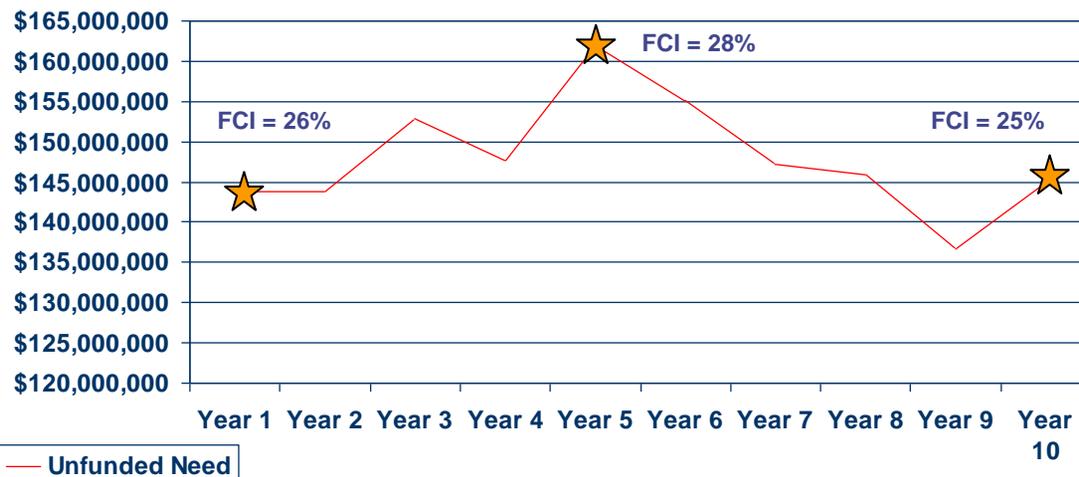
Poor: 11% - 30%

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. A comprehensive needs analysis conducted in 2006 indicated a ten-year capital need of \$260 million. Based on historic Capital Fund Program (CFP) funding levels, MPHA projected what the FCI trend for its entire portfolio would look like over a ten year period as illustrated below:



Under historically insufficient capital funding, MPHA projected its facilities would continue to languish in the “Poor” (11% and higher) rating of FCI. Faced with continued declines in CFP appropriations and escalating needs as our properties age, MPHA has the ongoing and increasingly difficult challenge to preserve its assets and provide dignified housing to the residents we serve. In an effort to significantly reduce the \$260 million unmet capital needs, MPHA devised and implemented several asset investment strategies over the past five years:

EPC

MPHA procured in early 2007 and entered into a \$33.4 million Energy Performance Contracting (EPC) agreement with Honeywell International, Inc. for the implementation of the Energy Conservation Measures (ECM) such as lighting and water upgrades, highrise boiler and water heater replacement, and building envelope repairs. The EPC has been fully implemented and the first year of a 20-year guaranteed savings period from Honeywell began in 2010.

MPHA is considering the benefits of re-financing the existing phase I EPC loan with a lower rate (the rate under the current financing agreement is 5.6%), which may yield additional scope and services. If, upon completion of the assessment, MPHA determines these benefits worth pursuing, a presentation to MPHA’s Board of Commissioners will be made.

Development

MPHA continues to search for development opportunities including the possibility of replacing high needs scattered site units in concentrated areas of Minneapolis with small clusters of new town home developments in non-concentrated areas of Minneapolis. MPHA is also interested in creating mixed income senior housing communities as well as special needs housing and working with the City and County to pursue these options. MPHA is also looking into neighborhood stabilization opportunities such as converting or redeveloping large foreclosed or abandoned houses or duplexes and tax forfeited or other abandoned properties to provide housing for large underserved families. These new and refurbished developments will include a high level of energy efficiency and when possible integrate state of the art durable materials.

Other Grants

ARRA Formula Grant

MPHA received \$18.2 million of which 100% has been fully expended as of June 2011. MPHA fully expended ARRA Formula Funds one year ahead of the requirement.

Senior Center – North Minneapolis

MPHA, in partnership with Sherman Associates designed and built a state-of-the-art senior center in Heritage Park in North Minneapolis. MPHA established partnerships with Neighborhood HealthSource 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. MPHA opened the facility on January 1, 2012.

Competitive grant amount: \$10.5 million ARRA dollars

“Green” Senior Housing/Memory Care Development

MPHA, in partnership with Sherman Associates designed and built a 48-unit “green” senior development near the Senior Center that focuses on providing housing and supportive services to frail elderly low-income residents who have memory care and assisted living needs. This development utilizes various energy efficiency methods and green technologies, including solar and geothermal. In addition, the structure was built with “green” materials and designed to reduce the development’s carbon footprint. This building became fully occupied in early 2012.

Competitive grant amount: \$9.7 million ARRA dollars

Scattered Site “Green” Initiative

MPHA made significant energy improvements in over 722 scattered housing sites. These improvements replaced outdated systems and have resulted in energy and water consumption reductions.

Competitive grant amount: \$11.6 million ARRA dollars

G.O. Bond/Publicly Owned Housing Program (POHP) Grant

MPHA is responding to this Notice of Funding Availability with an application of up to \$600,000. If successful, funds would be dedicated to infrastructure improvements at 600 18th Avenue North. This building is currently funded at \$1,000,000 in Plans A & B in FY 2013. A portion of the CFP funding for 600 18th Avenue North equaling the POHP Grant amount would be transferred to 314 Hennepin Avenue.

Capital Projects and Estimated Costs to Reduce MPHA's FCI

MPHA's five-year strategy for addressing capital needs covers FY 13 through FY 17. Approximately \$60 million in capital work will be implemented over this five-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 operation of our facilities.

FY13 Significant Capital Expenditures by Development

The Minneapolis Public Housing Authority (MPHA) is applying for a \$12.175 million CFP allocation for 2013. This amount includes \$11.2 million of Capital funds and \$975,000 of Replacement Housing Factor (RHF) funds. Further, projects that were initiated under previous funding cycles, but not fully completed in prior years, will carry over and experience expenditures in 2013. Additionally, a portion of the projects slated for 2013's \$12.175 million budget will not be fully expended in 2013 and will carry into 2014. MPHA has estimated approximately \$19-20 million in capital expenditures for FY 13 (see attached charts) targeted at specific projects in all of its seven Asset Management Projects (AMPs).

MPHA is considering two different Capital plans for 2013:

Plan A includes construction of a skyway "link" between its Heritage Commons senior building and the newly built Senior Services Center at an estimated cost of \$2.6 million.

Plan B does not include the construction of the skyway link and the \$2.6 million cost for the link has been reallocated to capital improvements at 314 Hennepin. Details for the two plans follow:

AMP 2 (Scattered Sites): \$1,000,000

MPHA is dedicating \$1,000,000 to scattered site capital expenditures in FY2013. These funds will be utilized for roofs, siding, and concrete replacement, and other upgrades that will ensure the long-term viability of these assets as well as having a positive impact on the PHAS score for AMP 2.

AMP 3 (North): \$4,240,000

MPHA will initiate major plumbing replacement at 600 18th Avenue North and 314 Hennepin Avenue. Elevator modernization will also begin at 314 Hennepin Avenue. In Plan A, work identified for 314 Hennepin will be deferred, and MPHA will design and initiate construction

of an enclosed skyway “link” between Heritage Commons (350 Van White Memorial Boulevard) and the new Senior Services Center. This feature will allow frail senior residents to comfortably and safely travel between the two buildings, making it easier for tenants and service providers to access the many amenities offered at the Senior Services Center and increase its use.

AMP 4 (Northeast): \$620,000

Elevator modernization will be initiated at 828 Spring Street NE.

AMP 5 (Hiawatha): \$2,750,000

Major plumbing replacement at the three Hiawatha buildings – a multi-million dollar project funded over several years – will continue in 2013. Plumbing replacement, sprinkler system installation, and shower replacement at 1707 – 3rd Avenue South is currently underway and first and lower level community and commons spaces modernization will also begin in 2013.

AMP 6 (Cedars): \$1,400,000

Extensive plumbing replacement at the three Cedars low-rise buildings – another multi-million dollar project funded over three years – will begin in 2013.

Area-Wide Mechanical Systems Upgrades: \$525,000

This work includes upgrades to heating pumps, elimination of pneumatic controls, and ventilation upgrades in the highrises.

Area-Wide Security Improvements: \$75,000

A comprehensive security analysis was conducted in 2012, and MPHA will soon be considering the recommendations and will begin implementing these improvements toward the end of 2012. The majority of this project was funded in 2012, though MPHA has allocated additional resources in 2013 for these important upgrades.

Area-Wide Common Area Improvements: \$415,000

During FY2013, 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.

Area-Wide Development: \$75,000

Funds are being earmarked for pre-development activities as described under “Development” above. These activities include land acquisition, legal costs, and architectural consulting fees.

CAPITAL PROJECTS – FY 2013 – PLAN A

AMP	PROJ	ADDRESS	WORK ITEMS	PROJECT COST	2013 EXPENDITURES
N/A	N/A	N/A	Administration	\$1,065,000	\$1,065,000
N/A	N/A	N/A	Audit fee	\$10,000	\$10,000
2	Varies	Scattered Sites	Comprehensive modernization	\$1,000,000	\$1,000,000
3	23	315 Lowry Ave N	Elevator modernization	\$620,000	\$300,000
3	25	600 18 th Ave N	Piping replacement	\$1,000,000	\$1,000,000
3	28	1015 4 th Ave N	Senior campus “link”	\$2,620,000	\$1,950,000
4	33	828 Spring St NE	Elevator modernization	\$620,000	\$300,000
5	9	Hiawatha Towers	Piping replacement (phase III)	\$2,050,000	\$650,000
5	24	1707 3 rd Ave S	Apartment upgrades, piping, sprinkler system, first floor modernization (phase II)	\$700,000	\$500,000
6	6	Cedars Low rises	Piping replacement (phase I)	\$1,400,000	\$100,000
3 – 7	Varies	Area-Wide Highrises	Mechanical system upgrades	\$525,000	\$525,000
1 – 7	Varies	Area-Wide	Security systems upgrade	\$75,000	\$75,000
1 – 7	Varies	Area-Wide	Common area improvements	\$415,000	\$415,000
N/A	N/A	Area-Wide	Development	\$75,000	\$75,000
TOTAL – 2013 CAPTIAL BUDGET				\$12,175,000	

CARRYOVER CAPITAL PROJECTS (These are projects from a previously approved MTW annual and five year CFP plan that will incur expenditures during FY 2013)

AMP	PROJ	ADDRESS	WORK ITEMS	PROJECT COST	2013 EXPENDITURES
3	20.5	3116 Oliver Ave N	Comprehensive apartment rehab, piping, site work	\$900,000	\$800,000
3	23	315 Lowry Ave N	Apartment upgrades, piping, sprinkler system	\$3,200,000	\$2,200,000
4	21.4	1206 2 nd St NE	Apartment upgrades, piping, sprinkler system	\$1,150,000	\$1,050,000
4	35	1815 Central Ave	Elevator modernization	\$815,000	\$600,000
5	9	Hiawatha Towers	Piping replacement (phase II)	\$2,050,000	\$1,400,000
5	18.5	2533 1 st Ave S	Commons, windows, apartment upgrades, piping, sprinkler system	\$1,500,000	\$1,400,000
5	24	1707 3 rd Ave S	Apartment upgrades, piping, sprinkler system, first floor mod (phase I)	\$3,700,000	\$2,700,000
6	16	1515 Park Ave S	Elevator modernization	\$525,000	\$300,000
6	30	630 Cedar Ave S	Shower replacement	\$1,750,000	\$1,200,000
6	30	630 Cedar Ave S	Elevator modernization	\$660,000	\$200,000
1 – 7	Varies	Area-Wide	Security systems upgrade	\$900,000	\$500,000
N/A	96	1001 Washington	Building improvements	\$550,000	\$400,000
TOTAL – 2013 PLANNED EXPENDITURES					\$20,735,000

CAPITAL PROJECTS – FY 2013 – PLAN B

AMP	PROJ	ADDRESS	WORK ITEMS	PROJECT COST	2013 EXPENDITURES
N/A	N/A	N/A	Administration	\$1,065,000	\$1,065,000
N/A	N/A	N/A	Audit fee	\$10,000	\$10,000
2	Varies	Scattered Sites	Comprehensive modernization	\$1,000,000	\$1,000,000
3	23	315 Lowry Ave N	Elevator modernization	\$620,000	\$300,000
3	25	600 18 th Ave N	Piping replacement	\$1,000,000	\$1,000,000
3	42	314 Hennepin Ave	Piping replacement, sprinklers, commons (phase I)	\$2,000,000	\$100,000
3	42	314 Hennepin Ave	Elevator modernization	\$620,000	\$300,000
4	33	828 Spring St NE	Elevator modernization	\$620,000	\$300,000
5	9	Hiawatha Towers	Piping replacement (phase III)	\$2,050,000	\$650,000
5	24	1707 3 rd Ave S	Apartment upgrades, piping, sprinkler system, first floor modernization (phase II)	\$700,000	\$500,000
6	6	Cedars Low rises	Piping replacement (phase I)	\$1,400,000	\$100,000
3 – 7	Varies	Area-Wide Highrises	Mechanical system upgrades	\$525,000	\$525,000
1 – 7	Varies	Area-Wide	Security systems upgrade	\$75,000	\$75,000
1 – 7	Varies	Area-Wide	Common area improvements	\$415,000	\$415,000
N/A	N/A	Area-Wide	Development	\$75,000	\$75,000
TOTAL – 2013 CAPTIAL BUDGET				\$12,175,000	

CARRYOVER CAPITAL PROJECTS (These are projects from a previously approved MTW annual and five year CFP plan that will incur expenditures during FY 2013)

AMP	PROJ	ADDRESS	WORK ITEMS	PROJECT COST	2013 EXPENDITURES
3	20.5	3116 Oliver Ave N	Comprehensive apartment rehab, piping, site work	\$900,000	\$800,000
3	23	315 Lowry Ave N	Apartment upgrades, piping, sprinkler system	\$3,200,000	\$2,200,000
4	21.4	1206 2 nd St NE	Apartment upgrades, piping, sprinkler system	\$1,150,000	\$1,050,000
4	35	1815 Central Ave	Elevator modernization	\$815,000	\$600,000
5	9	Hiawatha Towers	Piping replacement (phase II)	\$2,050,000	\$1,400,000
5	18.5	2533 1 st Ave S	Commons, windows, apartment upgrades, piping, sprinkler system	\$1,500,000	\$1,400,000
5	24	1707 3 rd Ave S	Apartment upgrades, piping, sprinkler system, first floor mod (phase I)	\$3,700,000	\$2,700,000
6	16	1515 Park Ave S	Elevator modernization	\$525,000	\$300,000
6	30	630 Cedar Ave S	Shower replacement	\$1,750,000	\$1,200,000
6	30	630 Cedar Ave S	Elevator modernization	\$660,000	\$200,000
1 – 7	Varie s	Area-Wide	Security systems upgrade	\$900,000	\$500,000
N/A	96	1001 Washington	Building improvements	\$550,000	\$400,000
TOTAL – 2013 PLANNED EXPENDITURES					\$19,165,000

**Minneapolis Public Housing Authority
2013 Capital Fund Five-Year Action Plan
Schedule of Planned Expenditures**

	FY13	FY14	FY15	FY16	FY17
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Budgets	19,165,000	9,450,000	11,180,000	12,280,000	11,025,000
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AMP 1 - Rowhouses

AMP	Project	Address	Bldgs	Units	FY13	FY14	FY15	FY16	FY17
1	1	Glendale	28	184	0	100,000	2,000,000	0	0
Total AMP 1			28	184	0	100,000	2,000,000	0	0

AMP 2 - Scattered Site/Single Family

AMP	Project	Address	Bldgs	Units	FY13	FY14	FY15	FY16	FY17
2	Varies	Various	753	753	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total AMP 2			753	753	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

AMP 3 - North

AMP	Project	Address	Bldgs	Units	FY13	FY14	FY15	FY16	FY17
3	3	800 North Fifth Avenue	1	66	0	0	0	0	300,000
3	20.4	2415 North Third Street	1	62	0	0	0	0	0
3	20.5	3116 North Oliver Avenue	1	31	800,000	0	0	0	0
3	23	315 North Lowry Avenue	1	193	2,500,000	320,000	0	0	0
3	25	600 North 18th Avenue	1	239	1,000,000	0	0	0	0
3	26	1710 North Plymouth Avenue	1	84	0	0	0	100,000	1,100,000
3	28	1015 North Fourth Avenue	1	48	0	0	0	0	0
3	37	1314 North 44th Avenue	1	220	0	0	0	0	100,000
3	42	314 Hennepin Avenue	1	299	400,000	2,320,000	900,000	0	0
3	50	350 Van White Memorial Boulevard	1	102	0	0	0	0	0
Total AMP 3			10	1,344	4,700,000	2,640,000	900,000	100,000	1,500,000

AMP 4 - Northeast

AMP	Project	Address	Bldgs	Units	FY13	FY14	FY15	FY16	FY17
4	10	311 NE University Avenue	1	49	0	0	100,000	1,000,000	0
4	15.4	710 NE Second Street	1	35	0	0	0	0	0
4	15.5	616 NE Washington Avenue	1	35	0	0	0	0	0
4	21.4	1206 NE Second Street	1	57	1,050,000	0	0	0	0
4	21.5	1900 NE Third Street	1	32	0	0	0	0	100,000
4	21.6	809 NE Spring Street	1	32	0	0	0	0	100,000
4	32	1717 NE Washington Street	1	182	0	100,000	1,600,000	0	100,000
4	33	828 NE Spring Street	1	189	300,000	320,000	0	0	0
4	35	1815 NE Central Avenue	1	333	600,000	0	0	0	0
Total AMP 4			9	944	1,950,000	420,000	1,700,000	1,000,000	300,000

**Minneapolis Public Housing Authority
2013 Capital Fund Five-Year Action Plan
Schedule of Planned Expenditures**

FY13	FY14	FY15	FY16	FY17
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AMP 5 - Hiawatha

AMP	Project	Address	Bldgs	Units					
5	9	Hiawatha Towers	3	281	2,050,000	1,700,000	620,000	620,000	320,000
5	18.5	2533 South First Avenue	1	42	1,400,000	0	0	0	0
5	19	1920 South Fourth Avenue	1	110	0	0	0	0	0
5	24	1707 South Third Street	1	199	3,200,000	200,000	0	300,000	320,000
5	34	2419/33 South Fifth Avenue	2	254	0	0	0	0	100,000
Total AMP 5			8	886	6,650,000	1,900,000	620,000	920,000	740,000

AMP 6 - Cedars

AMP	Project	Address	Bldgs	Units					
6	6/30	Cedars Community	4	539	1,500,000	1,660,000	1,400,000	1,500,000	2,000,000
6	8	Elliot Twins	2	174	0	0	100,000	1,500,000	0
6	16	1515 South Park Avenue	1	182	300,000	0	100,000	1,200,000	0
Total AMP 6			7	895	1,800,000	1,660,000	1,600,000	4,200,000	2,000,000

AMP 7 - Horn

AMP	Project	Address	Bldgs	Units					
7	14	1415 East 22nd Street	1	129	0	0	100,000	1,700,000	520,000
7	17	2728 East Franklin Avenue	1	151	0	0	0	100,000	1,400,000
7	18.4	3755 South Snelling Avenue	1	28	0	0	0	0	100,000
7	22	3205 East 37th Street	1	28	0	0	0	0	100,000
7	31	Horn Towers	3	491	0	100,000	1,650,000	1,750,000	1,750,000
7	36	2121 South Minnehaha Avenue	1	110	0	0	0	0	0
Total AMP 7			8	937	0	100,000	1,750,000	3,550,000	3,870,000

Management, Maintenance, and Special Facilities

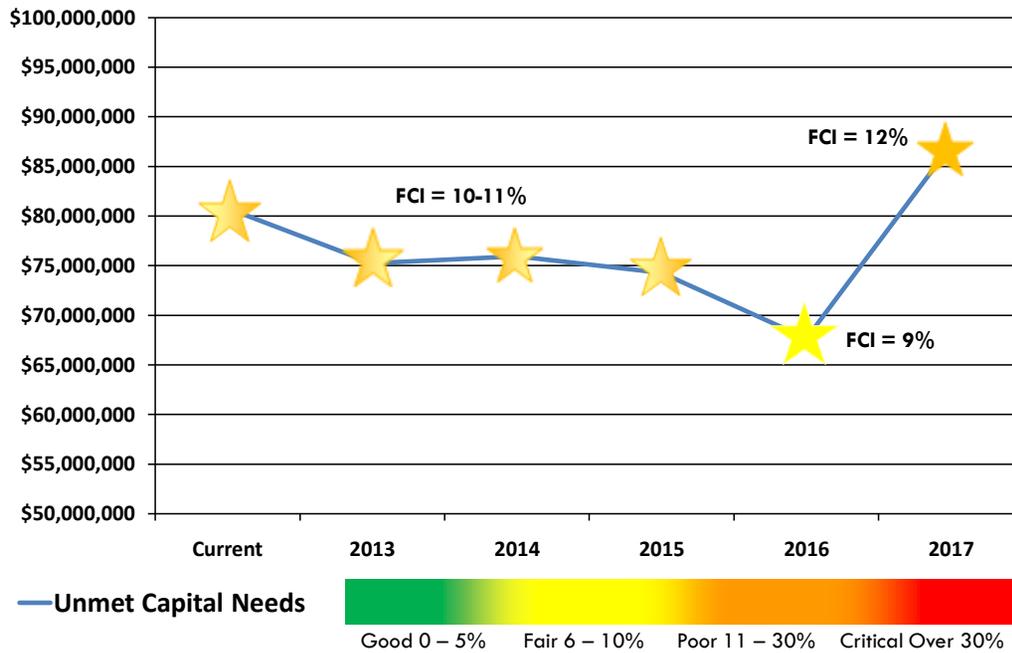
Project	Location	Bldgs	Units						
29	901 North Fourth Avenue HPSCC	1		0	0	0	0	0	0
93	1301 Bryant Maintenance Office	1		0	0	0	0	0	0
96	1001 Washington Main Office	1		400,000	0	0	0	0	100,000
Total MM & S			3		400,000	0	0	0	100,000

Area-Wide

1410	Administration			1,075,000	1,120,000	1,120,000	1,120,000	1,120,000	
	Security Improvements			575,000	0	0	0	0	0
	Mechanical Systems			525,000	0	0	0	0	0
	Development			75,000	0	0	0	0	0
1460	Common area improvements			415,000	510,000	490,000	390,000	395,000	
				2,665,000	1,630,000	1,610,000	1,510,000	1,515,000	

GRAND TOTAL	823	5,943	19,165,000	9,450,000	11,180,000	12,280,000	11,025,000		
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Five Year FCI Projection



A 9-12% FCI, which is within or near the “Fair Range”, indicates that MPHA is strategically planning and leveraging additional funding sources to ensure the long-term viability of its assets.

Since adopting and implementing these strategies, MPHA has significantly reduced its \$260 million need to \$170 million. MPHA will continue to aggressively pursue grant opportunities that improve MPHA’s asset condition through initiatives that include development and capital investment in existing assets.

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

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

MTW Housing Choice Vouchers Authorized: 4,423 units (includes NEDS/Mainstream; Tenant Protection, Project Based Voucher and “Fair Share” Tenant Based Vouchers.)

Non-MTW Housing Choice Vouchers units Authorized: 310 (Includes VASH at 205, FUP at 100 and Shelter Plus Care at 5)

Housing Choice Vouchers to be Project Based:

On February 22, 2012, MPHA’s Board of Commissioners approved awards of forty (40) vouchers under the “Targeted Project Based Voucher Initiative”. Organizations committed to developing affordable housing beyond the number of units to be project based, competed for – and will be awarded these vouchers. MPHA’s award of forty (40) vouchers will result in 315 units of new affordable housing to be created in the City of Minneapolis. In 2013, MPHA expects to sign HAP Contracts with owners of the following five (5) projects: 1) **Emanuel Housing** will be provided 101 units of affordable, supportive housing. The target population is individuals experiencing long-term homelessness – many of whom will be disabled; six (6) vouchers (plus ten (10) VASH vouchers awarded under a separate RFP) have been awarded; 2) **Spirit on Lake** – a 46 unit, new construction project that will serve the aging gay, lesbian, bisexual and transgender (GLBT) community, five (5) units will be project based; 3) **The Lonoke** – a nineteen (19) unit mixed income community will have four (4) project based vouchers for homeless single adults with disabilities; 4) Emerson North Family Housing – 48 newly constructed units. The mixed income community will target households at or below 50% of area median income. Ten (10) project based units will provide supportive housing for long term homeless families; 5) **South Quarter – Phase IV** – a ninety (90) unit mix of market rate and affordable units for a variety of household sizes, economic levels and lifestyles, fifteen (15) PDVs are awarded to this project and twelve will be targeted for individuals and families experiencing long-term homelessness.

MPHA currently has 692 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
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

PROJECT NAME	# of UNITS	Owner / Mgmt
CREEKSIDE COMMONS - PB	6	Perennial Management
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
LINDQUIST -- PB	24	RS Eden
LORING TOWERS -- PB	43	Aimco - Loring Towers LLC
LORRAINE -- PB	10	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	17	Aeon
PHILLIPS FAMILY- - PB 2805 CEDAR	11	Aeon
PHILLIPS PARK INITIATIVE dba JOURNEY HOMES -- PB	12	Perennial Management (LSS Owner)
PHILLIPS REDESIGN- - PB	4	Aeon
PINECLIFF- - PB	7	Aeon
PORTLAND VILLAGE -- PB	24	Portland Village LP
PPL FOURTH AVE - PB	6	PPL
PPL FORECLOSURE - PB	21	PPL
RIVER RUNS -- PB	16	Sherman Associates
ST ANTHONY MILLS -- PB	17	St. Anthony LP
ST. BARNABUS -- PB	39	Aeon
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

B. Leasing Information

Anticipated public housing leased in FY2013: 98%/6,130 units (all MTW units)

Description of anticipated issues: 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.

Anticipated MTW Housing Choice vouchers leased in FY2013: 4,423 units

Anticipated non-MTW Housing Choice Vouchers leased in FY2013: 310 units

Description of anticipated issues: Same or similar issues related to potential difficulties lease up some of the HCV vouchers are anticipated in 2013 as were identified in 2012. They include:

- Very low vacancy rate in the City of Minneapolis;
- Slow economic recovery including ongoing foreclosures of current and potential rental units;
- Questionable credit and rental histories limiting housing choices for some low-income families;
- 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. MPHA has also expanded collaborations with police, including hiring a Police sergeant as its Program Integrity Coordinator, and with neighborhood organizations, City Council members, and private citizens. MPHA 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.
- The challenges Family Unification Program (FUP) participants have minimal or poor rental histories, and a large percentage fail criminal background checks. However, 59 of the 100 FUP participants have successfully leased as of mid-July 2012.

Number of project-based vouchers in-use at the start of the Plan year: 692

C. Waiting List Information

MPHA has four waiting lists including a MTW site-based waiting list for its Rent-to-Own Initiative.

Public Housing/Highrise/Designated Wait List: Open for elderly, near elderly and disabled

Public Housing Family: The Public Housing Family Waitlist is closed for new applications at this time.

Public housing Rent-to-Own: Open - special MTW site-based waiting list 20-unit 'rent-to-own' townhome Development, only

Section 8 / HCV: There are no anticipated changes in HCV Waiting List. It will remain closed for new applications in 2013.

Description of Current Waiting Lists:

Public Housing Highrise/Designated: There are 2,800 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:
2,293 families seeking two-bedroom units
1,474 families seeking three-bedroom units
393 families seeking four-bedroom units
22 families seeking five plus-bedroom units

Public Housing Rent To Own: MPHA is recruiting families at this time.

Section 8 / HCV: The number of applicants remaining on the HCV Waiting List is 10,376. It was an "active" Waiting List until December 2011. At that time, MPHA was forced to halt voucher issuance as a result of sever funding cuts in 2012. We expect the HCV Waiting List to remain inactive for at least the beginning half of fiscal year 2013. When we resume Waiting List issuance, we will also resume quarterly purges of the Waiting List.

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.

Public Housing Rent To Own:

Families are currently screened as they apply.

Section 8 / HCV:

This list was purged in September 2011.

III. Non-MTW Related Housing Authority Information (Optional)

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

See Section VII: Sources and Uses of Funding

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 seven (8) 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
- **Volunteers of America/MN** at Lyndale Manor, 600 18th Ave N; Parker Skyview, 1815 Central Ave N.E.
- **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, Thomas T. Feeney Manor, 904 4th Avenue North
- **People Incorporated** 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 (80%) 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 twenty-five (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 forty (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 created 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 along with criminal history 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 (7) 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.

MPHA and Hennepin County will explore an initiative that provides housing opportunities with services for single adults experiencing homelessness and in need of intensive services to maintain stable housing. This initiative may require presumptive eligibility components in order to facilitate successful placement in MPHA housing.

Project Based Section 8

MPHA's mission calls for the agency to, "with partners, 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 732 vouchers to more than twenty (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 to 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.

Other Section 8 Initiatives:

Family Unification Program (FUP)

MPHA and Hennepin County successfully collaborated in securing 100 FUP vouchers to assist families who are at risk of their children being put in ‘out-of- home’ placement or whose children may not be reunified with their families due to lack of affordable housing. These FUP vouchers will also be made available to youth emancipating from foster care and at risk of homelessness. MPHA and Hennepin County entered a Memorandum Of Understanding (MOU) to ensure services and support to these families and youth.

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:

1. 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.

2. 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.

3. 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 achieving 'high performer status' since 1997. 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. They see the agency's MTW authority as springboard for new opportunities and as a new tool for enhancing MPHA's programs and services.

Senior Resident Wellness Initiative

MPHA's new ARRA funded Heritage Park Senior Services Center (HPSSC) includes a partnership with the Minneapolis Y. MPHA and the Y will develop an Agreement promoting resident utilization of Y programs and its facilities located in HPSSC

C. MPHA Mixed Finance Development Statement.

Minneapolis Public Housing Authority has a unique and distinct relationship with the owners of mixed finance developments created as the result of the Hollman Consent Decree. Whereas MPHA neither owns nor manages these units, MPHA Statement of Policies and Moving To Work initiatives that are not otherwise specific requirements under Federal Law will not apply to families housed in these units, unless MPHA and the owners mutually agree.

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, with partners, contribute to the well-being of the individuals, families and community we serve.

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

Strategic Direction 1

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

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

Strategic Direction 2

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

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

Strategic Direction 3

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

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

Strategic Direction 4

MPHA will continue to participate and communicate with HUD, the State of Minnesota, the Metropolitan Council, Hennepin County, and the City of Minneapolis to contribute to the development of housing policy and housing policy implementation as well as to ensure that the affordable housing needs of Minneapolis residents and the agency's capacity and ability to address these needs will be considered when housing-related decisions are being made.

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

Strategic Direction 5

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

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

Strategic Direction 6

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

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

- *Goal 3: Provide regular opportunities for staff to reflect on their goals and accomplishments.*
- *Goal 4: Design and implement management succession strategies that, at a minimum, include cultivating. Retaining, and attracting the next generation of leadership.*
- *Goal 5: Recruit and retain a diverse and talented workforce.*

Strategic Direction 7

MPHA will continue its commitment to promote participation in its operations by women, minority and Section 3 residents and businesses.

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

V. Proposed MTW Activities

FY 2013 Activity 1: MPHA – HENNEPIN COUNTY TRANSITIONAL HOUSING DEMONSTRATION INITIATIVE

A. Description of Activity

MPHA is proposing a partnership with Hennepin County to create a ‘Transitional Housing with Supportive Services’ demonstration program to allow MPHA to set utilize up to eight public housing units for low income individuals who are in need of transitional housing for brief periods from a few days to a few months. . In PIC, MPHA will change the classification of these 8 units to MTW neighborhood services units.

These individuals are low income vulnerable persons who will be exiting the hospital, have no support system and need supportive services to avoid re-hospitalization and who without such services would remain in the hospital costing thousands of dollars which could be significantly mitigated under this initiative.

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

B. Anticipated Impacts:

The anticipated impact of this proposal is that 20 – 35 extremely vulnerable persons who need transitional housing with services will be provided safe and decent temporary housing and supportive services that will lessen the likelihood of re-hospitalization save thousands of dollars in medical expenses.

C. Baseline and Benchmarks:

- **Baseline:**
 - This is a new program and there are no current participants
 - Hennepin County estimates that there are _____ persons who

MTW Authorization:

This initiative invokes certain provisions of Attachment D ‘Broader Uses of Funds authority;

Attachment C – B 2. Partnerships - This authorization waives certain provisions of Sections 13 and 35 of the 1937 Act and 24 CFR 941 Subpart F as necessary to implement the Agency’s Annual MTW Plan and Attachment C - B 4.

Transitional/Conditional Housing Program, This authorization waives certain provisions of Sections 3, 4, 5, 8, and 9 of the 1937 Act and 24 CFR 941 and 960 Subpart B as necessary to implement the Agency’s Annual MTW Plan.

Statutory Objective:

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

- **Benchmarks:**

- This program will serve between 20 - 35 persons in the first year of operation

D. Data Collection & Metrics:

Hennepin County will provide MPHA with monthly reports on persons served including: name, unit and length of stay. Hennepin County will collect this data as part of its administrative responsibilities for persons who are part of the County's overall program.

Hennepin County will provide estimated costs savings related to the outcomes of this program on a quarterly basis.

VI. Ongoing MTW Activities

In MPHA's FY2011 Report and FY2012 MTW Plan the following activities were discontinued, FY2009 – Activity 7 Investment Initiative, FY2009 – Activity 8 Resident Empowerment Initiative and FY2009 – Activity 9 Flexible Development Initiative. FY2009 – Activity 10 Plymouth Church Initiative has been closed out as MPHA successfully completed all activities under this initiative and the remaining program components are integrated into MPAH's project based program.

FY2012 – Activity 1

Bi-Annual Housing Quality Standards Inspections for Multifamily Complexes

A. Description of Activity

The Section 8 HCV Program is proposing to modify its annual inspection process to allow for bi-annual Housing Quality Standards (HQS) inspections of qualifying HCV units that are in multifamily complexes of 6 units or more. MPHA identified complexes of 6 units or more as the threshold for this initiative as these developments are typically managed by professional management companies, which tend to have more experienced maintenance staff and more resources to draw on to perform any needed repairs. In 2010, 38 units in complexes of 6 units or more went into abatement, as opposed to 109 units in buildings with 5 units or less.

MPHA will inspect these units every two years as long as the following is true:

- 80% of units in the complex passed HQS inspection in the last two years, excluding units that fail solely for tenant-caused violations
- the complex is managed by a professional residential property management company
- In the year that MPHA does not inspect their property, owners self-certify that each unit meets HQS. Participants and owners are always able to request a special inspection pursuant to the allowances provided by MPHA's Section 8 Administrative Plan.

MTW Authorization:

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

Statutory Objective:

As an MTW initiative this activity addresses the statutory objective of achieving greater cost effectiveness in federal expenditures by reducing staff time and costs associated with annual inspections.

Owners would have the same time period to cure defects as under current regulations and the standards to fix life-threatening conditions and thirty (30) days (or longer period if approved by the PHA) for other defects would remain.

B. Update

MPHA implemented the MTW initiative, Bi-Annual Housing Quality Standards Inspections for Multifamily Complexes in February 2012. In the five month period that MPHA did inspect the qualifying units; owners self-certified that their unit met HQS. As of February, 919 “Self-Certified Inspections” (SCI) have been completed. Assuming an average inspection time of .5 hour, this has saved 459.5 hours of inspection time. It took approximately twelve (12) hours of staff time to schedule, receive, and enter the completed SCI into the system. Subtracting that amount of time from the inspection time saved, a net of 387.5 hours of staff time has been saved. Annual inspections conducted per month have decreased from an average of 406 per month in 2011 to an average of 340 per month since February Of 2012, which not only saves us time in staff hours, but also makes for more efficient scheduling. In March 2012, we adjusted the inspection schedule to allow all units in the same building to be inspected – or self-certify- in the same month. Though this process will not be entirely complete until the end of the second phase of Self Certification Inspection (SCI) scheduling next year, so far 16 of the 44 buildings participating in Phase One of SCI scheduling have been scheduled by building so far, representing 36% of participating buildings. As more buildings have all of their occupied units scheduled in the same month, it will lead to greater efficiencies in the inspection process and inspectors will be able to conduct all the inspections due at that building at one time without have to return in later months.

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

FY-2012 – Activity 2

Earned Income Disallowance Simplification (Section 8/HCV) – Rent Reform Initiative

A. Description of Activity

In the Section 8 Housing Choice Voucher Program Federal Regulations allow families whose Head of households are disabled a full income disregard for one year and a 50% disregard for the second year. As families move in and out of employment, the disregard is postponed; the monitoring is time consuming and creates administrative hardships that are prone to errors. MPHA has created a full two-year income disregard for eligible families and eliminated the administrative hardship and time consuming monitoring.

B. Update

In 2012, MPHA created a full two-year income disregard for eligible families and eliminated the administrative hardship and time consuming monitoring. As noted in the 2012 MTW Plan, we did not expect this initiative to affect a large number of families. In 2012, utilization of EID was very low; less than 1% of all participant families utilized the disallowance. Repeating what we stated in the 2012, Plan, we did not anticipate any savings during the first year of the initiative, but we did anticipate a reduction in staff processing error rates and we achieved that. We anticipate we will have good data and measurements in 2014, after a full two years of the new EID procedure.

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

MTW Authorization:

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

Statutory Objective:

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

FY 2012 Amendments (These Activities have been approved by the MPHA Board after following the MTW Plan Amendment process required by the MPHA MTW Agreement with HUD. HUD approval is still pending at the time of the publication of the FY 2013 'Draft MTW Plan').

FY 2012 Plan Amendment 2

Activity 3

Create Alternate Income Verifications for MPHA's Assisted Living – Housing with Services Programs

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

MTW Authorization:

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

Statutory Objective:

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

- These clients often come from a situation where the person may be homeless, has no family etc. many times they cannot find or access verifications of income or assets or because of physical or mental state cannot access this information timely.
- MPHA believes that if an applicant is eligible and has income information, such as SSI income with another unit of government, e.g. State/County Medicaid, Food Stamp program etc. that clearly demonstrates eligibility for public housing, MPHA should be able to utilize this information to sign a lease and move the tenant into housing. If there is a small discrepancy in actual income, for example an increase in SSI or SSA since the county last verified income, that can be taken care of with a correction, in the same manner as a mistake in rent calculation.

MPHA does not anticipate a need to employ additional authorizations to continue this initiative.

FY 2012 Plan Amendment 3

Activity 4

Allow for Personal Representative to be a Lease signer with and on behalf of person applying for Assisted Living /Housing with Services programs at MPHA:

A number of otherwise eligible persons for MPHA's Assisted Living and Housing with Services programs may experience impairments that make it difficult or unable for them to sign their lease. In those instances, MPHA may allow a 'Personal Representative' to sign with and/or on behalf of the resident. This will permit the resident to be able to move in and receive appropriate services

These persons often come from a situation where they may be homeless, have no family or have no access to another person who has a legal capacity to sign on behalf of the person in need of assisted housing. etc. and because of physical or mental status may be unable to sign their lease.

This initiative is strictly limited to resident-participants MPHA assisted housing programs where the services and staffing at the MPHA facilities are available twenty four (24) hours a day and seven (7) days a week.

MPHA does not anticipate a need to employ additional authorizations to continue this initiative

MTW Authorization:

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

Statutory Objective:

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

FY 2011 – Activity 1

Targeted Project Base Initiative

A. Description of Activity

MPHA issued an RFP 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.

Under this initiative, the 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 120 new affordable units to come from this project.

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

MPHA awarded vouchers under this initiative in early 2012. All voucher awards are subject to HUD subsidy layering requirements and the specific Targeted Project Base Initiative benchmarks. MPHA expects to sign AHAPS in 2012 and PB HAP Contracts in 2012 and 2013. This initiative will be complete when all developments are under contract and participants lease up their units.

B. Update

As noted above in Section 1: General Housing Authority Operating Information under item A. Housing Stock Information, under the description: "number of HCV units to be project-based during the Plan year, including description of each separate project", on February 22, 2012, MPHA's Board of Commissioners approved awards of forty (40) vouchers under the Targeted Project Based Voucher Initiative. MPHA's award of forty vouchers will result in 315 units of new affordable housing to be created in the City of Minneapolis. In 2013, MPHA expects to sign HAP contracts with the owners of five (5) projects.

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

Statutory Objective:

Increases housing choices

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

FY2011 – Activity 2

Soft Subsidy Initiative that Increases Housing and Promotes Self-Sufficiency

A. Description of Activity

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

Alliance Community Housing will provide high quality housing to 20 homeless or formerly homeless families in 2012. 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. The program’s goal is to get the parents off government assistance and into the working class.

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

MTW Authorization:

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 amendment to Attachment D currently under consideration by HUD.

Statutory Objective:

Increase Housing Choices / Self Sufficiency.

B. Update

MPHA proposed to enter into an agreement with Alliance Community Housing with set subsidies for special conditions that are also time limited. These 20 subsidies are time-limited flexible in amount and duration (lasting up to five years). The subsidies are 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. The goal however is to move families off of government assistance and into the working class. HUD's process for approving this initiative was delayed in 2011; MPHA and Alliance Community Housing are finalizing the terms of the agreement with expectation of implementation before close of fiscal year 2012 or not later than the start of Fiscal Year 2013.

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

FY2011 – Activity 3 (Amendment to the FY2011 Plan)

Absence from Unit Initiative

A. Description of Activity

HUD approved the Absence from Unit Initiative as an amendment to MPHA’s 2011 MTW Plan. This initiative would preserve the rent obligation for residents/participants who have a temporary loss of income related to an extended absence from the unit defined as 30 days or more. For example, a tenant or Section 8 participant may quit a job to be away from the unit or have their government benefits terminated because of travel outside of the country. This voluntary action results in a loss of income and consequently, a reduction in rent. MPHA believes such voluntary action should not result in increased Federal expenditures to support this family.

B. Update

MPHA has adopted policy changes and provided notice and communication to residents and Section 8 participants regarding this initiative. MPHA has created a hardship exemption and will continue this initiative in 2013.

HUD approved the Absence from Unit Initiative as an amendment to MPHA’s 2011 MTW Plan. This related to an extended absence from the unit defined as 30 days or more. For example, a tenant or Section 8 participant may quit a job to be away from the unit or have their government benefits terminated because of travel outside of the country. This voluntary action results in a loss of income and consequently, a reduction in rent. MPHA believes such voluntary action should not result in increased Federal expenditures to support this family.

MPHA adopted policy changes and provided notice and communication to residents and Section 8 participants regarding this initiative. MPHA created a hardship exemption and successfully continued this initiative in 2012 and will continue initiative in 2013.

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

MTW Authorization:

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

Statutory Objective:

Reduce cost and achieve greater cost effectiveness in federal expenditures.

FY2010 – Activity 1

Public Housing/Section 8 HCV Working Family Incentive

A. Description of Activity

The MPHA Public Housing and Section 8 HCV Program implemented 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 Section 8 HCV program will continue to focus on families with minor children, as identified in the MTW statutory requirement. The rent calculation contains an automatic fifteen (15) percent deduction from the gross annual earned income of each wage earner in the family. This deduction provides the Working Family with available money to support work related costs, including but not limited to transportation, uniforms, and health insurance premiums.

MPHA believes this initiative promotes self-sufficiency. We expect to see an increase in income to those employed and provide a push to those unemployed, yet able to work, to seek employment. This initiative is automatically available to all public housing residents who work and Section 8 participant working families with children.

B. Update

The Working Family Incentive (WFI) was created in the 2010 Plan year and implemented in October 2010. The incentive was established in an effort to move families toward self sufficiency by providing a “Working Family” deduction that will increase the income and asset level of *families with minor children in which the Head of Household, Spouse or other adult member is employed*. It is anticipated that the initiative will encourage families to seek out new income sources without fear that they will also gain a new expense in the form of a higher tenant rent portion. The deduction will provide the Working Family with available money to support work related costs, including but not limited to transportation, uniforms, and health insurance premiums.

MTW Authorization:

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

Statutory Objective:

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

Since implementation in October 2010 an additional eighty (80) families have joined the work force and reported earned income. The qualifying families increased from 1174 in Oct 2010 to 1254 in July 2012. In the twenty two (22) months of WFI, the number of families receiving the deduction has increased from 132 families (in October, 2010) to 1,171 families (in July, 2012). 1171 families equates to 27% of our MTW population.

The average savings (deduction) of the WFI family is \$2,783 annually – a definite incentive to increasing earnings. The average annual earned income of the WFI family is \$18,546 compared to the non WFI family whose annual earned income is \$16,724 - A difference of over \$1,800.

Currently there are 1,171 families that receive WFI. These families can increase their earnings without an increase to their tenant rent portion thereby eliminating the need for an interim rent adjustment. The 1171 enrolled families result in a decrease in our interim rent adjustments of 27%. Assuming an average of 45 minutes for an Eligibility Technician to process an interim rent adjustment, calculated by 1171 families, we can save 878 hours of processing time at \$18.50 per Technician hourly wage for a 2012 annual administrative cost savings of \$16,243.

MPHA will continue this activity in 2013.

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

FY2010 – Activity 2

MPHA’s minimum rent Initiative for public housing residents and Section 8 HCV participants.

A. Description of Activity

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 would increase the minimum rent of existing tenants or Section 8 voucher holders at the first annual or interim re-exam following:

January 1, 2010	\$75.00
January 1, 2012	\$100.00
January 1, 2014	\$125.00
January 1, 2016	\$150.00

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

B. Update

MPHA’s Public Housing Low Rent Program implemented the minimum rent initiative in 2011 with the current minimum rent being \$75 per month. Due to the economic crisis, MPHA has decided not to implement the next phase of the minimum rent initiative which would increase the minimum rent to \$100 per month.

MPHA reevaluated its minimum rent in 2012 and decided to maintain its current minimum rent of \$75 for 2013.

This initiative was expected to increase the minimum rent of existing Section 8 voucher holders to \$75.00 at the first annual or interim re-exam in the 2011 Plan year. The Section HCV Program did not yet implement this activity in FY 2011; we implemented this activity in January 2012. As

MTW Authorization:

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

Statutory Objective:

Reduce cost and achieve greater cost effectiveness in federal expenditures and provide incentives to families to obtain employment and become economically self-sufficient and increase housing choices.

yet, we are unable to measure the impact of this activity.

MPHA continues its hardship exemption programs in both Section 8 and Low Rent Public Housing.

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

FY2010 – Activity 3

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

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

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

MTW Authorization:

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

Statutory Objective:

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

FY2010 – 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 is in the process of implementing this initiative and expects to have all twenty units under lease in 2012. All new Rent-to-Own tenants are encouraged to participate in MPHA’s MTW savings match program and are required to work with the agency’s Lease To Own staff to develop a specific plan to purchase their unit within the five-year timeframe called for in the MPHA’s MTW Rent-To-Own initiative.

Should vacancies arise due to tenant inability to meet Rent-To-Own requirements, MPHA will open its site-based waiting list in order to market to new Rent-To-Own families. MPHA will continue this initiative until all units are purchased by participating families.

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

MTW Authorization:

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

Statutory Objective:

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

FY2010 – Activity 5

Foreclosure Stabilization Project Based Voucher Demonstration Program:

A. Description of Activity

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

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

B. Update

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 has allocated the 21 Housing Choice Vouchers targeted 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.

There were a number of factors which caused construction delays and impacted the timing of the financial closing on the 21 units; however MPHA completed a Plan amendment and met the new benchmarks for this project. All units were completely rehabilitated and full occupancy was achieved by May 2012.

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

MTW Authorization:

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

Statutory Objective:

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

FY2009 – Activity 1

Block Grant and Fungible Use of MPHA Resources

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

FY2009 - Activity 2

Recertify Elderly or Disabled Public Housing Resident Families Once Every Three Years Instead Of Annually

A. Description of Activity

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

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

B. Update

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

This activity has reduced the number of annuals done per Eligibility Technician (ET) allowing the ET's to follow up on long-term minimum renters and MPHA's high number of interim recertification requests. MPHA will continue this initiative in 2013.

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

MTW Authorization:

Initial, Annual and Interim Income Review Process: Provided in Attachment C Section C 4. This Section waives certain provisions of Sections 3(a) (1) and 3 (a) (2) of the 1937 Act and 24 C.F.R. 966.4 and 960.257, as necessary to implement the Agency's Annual MTW Plan.

Statutory Objective:

Reduce costs and achieve greater cost effectiveness. MPHA anticipated this change would save the agency time and allow better utilization of its resources and believes this change also provides a significant benefit to its residents.

FY2009 – Activity 3

Combine MPHA’s Current Homeownership Programs into a Single MTW Initiative with a Foreclosure Prevention Component

A. Description of Activity

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

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

B. Update

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

MTW Authorization:

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

Statutory Objective:

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

Provides incentives that support self sufficiency goals

FY2009 – Activity 4 (Rent Reform)

MPHA Will Revise its Earned Income Policy to Allow Eligible Public Housing Families a Full Two-Year Income Disregard

A. Description of Activity

Federal regulations allow certain families a full income disregard for one year and a 50% disregard for the second year. As families move in and out of employment, the disregard is postponed; the monitoring is time consuming and creates administrative hardships that are prone to errors. MPHA created a full two year income disregard for eligible families, which eliminated the administrative hardship and time consuming monitoring.

This MTW initiative enables MPHA to reduce costs and achieve greater cost effectiveness. In addition, it provides an incentive for families to maintain employment because the program is limited to two years. By maintaining employment, they receive a full disregard for two years instead of the full disregard for one year and a 50% disregard for the second year. MPHA has adopted changes to the ACOP and implemented this initiative. MPHA estimates that 200 families will take advantage of this program. MPHA will track the families on this program and after two years evaluate its success. MPHA is utilizing EIV to assist with monitoring incomes and outcome metrics for this initiative.

B. Update

Staff reports that this has greatly streamlined and simplified the Earned Income Disregard (EID). Residents understand and are able to follow this program better. This program has had more limited participation than initially estimated due to the economic crisis that has denied resident the opportunity to secure employment and take advantage of this program. MPHA intends to continue this program in 2013

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

MTW Authorization:

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

Statutory Objective:

Reduce costs and achieve greater costs effectiveness and gives incentives to families to obtain employment. Allows MPHA to reduce costs and focus staff resources on other agency needs

Gives families incentive to work by disregarding the incremental earnings of qualified families

FY2009 – Activity 5

Implement a New Public Housing Family Self-Sufficiency Program

A. Description of Activity

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

B. Update

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

MTW Authorization:

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

Statutory Objective:

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

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

FY2009 – Activity 6

Section 8 HCV Mobility Voucher Program

This Activity was expanded to include current Section 8 HCV participants in MPHA’s amended 2012 MTW Plan.

A. Description of Activity

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 created an appendix to its Section 8 Administrative Plan that details the specific elements of this initiative.

B. Update

MPHA reached its revised 2012 goal to have “at least 25 families leased” with a Mobility voucher by Fiscal year end, but we continued to face challenges growing this program caused by employment related criteria, low vacancy rate and the newest challenge of stopping the progress of waiting list voucher Issuance. To date, 38 families are leased with a Mobility Voucher. On April 25th 2012 MPHA submitted to the Board of Commissioners an amendment to its Section 8 Housing Choice Moving To Work Mobility Initiative. The amendment provides incentives to allow existing Section 8 Housing Choice Voucher participant families who are living in high poverty concentrated areas - but who otherwise meet the criteria for the Mobility Initiative - to participate in this program. These families are already housed with a voucher, so to stimulate interest in participation MPHA would provide enhanced incentives to motivate current Section 8 HCV families’ desire to move into low poverty, higher opportunity areas of Minneapolis. Enhanced incentives include:

- A moving allowance, not to exceed \$1000 per family;

MTW Authorization:

Waiting List Policies: Provided in Attachment C Section D 4. This Section waives certain provisions of Sections 8(o)(6,8(o)(13) (J) and 8 (o) (16) of the 1937 Act and 24 C.F.R. 982

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

Statutory Objective:

Increase housing choices. Provides incentive for waiting list families to move into non poverty concentrated areas

- Rigorous education and recruitment of owners with units in targeted low poverty neighborhoods;
- Higher intensity housing search assistance which includes referrals to units in targeted neighborhoods, until the participant finds an appropriate match and meeting families at units for viewings;
- Act as bridge/liaison between participants and owners if/when issues arise through-out three year Mobility Contract;
- Priority for placement in the Section 8 Family Self Sufficiency Program.

The Amendment was approved just before we found that we had to stop Wait List issuance – which included Mobility Vouchers – to reduce HAP cost in response to decreased funding. Providing incentives to voucher holders to participate in the mobility may in fact continue to result in increased HAP costs.

Though we planned for a 2013 implementation of the amended program, given the budget deficits of 2012 and the probability of continued deficits in funding for 2013 – we may consider “freezing” the number of participating families between 40 and 50 for during the 2013 fiscal year.

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

FY 2012 Plan Amendment 1 - Revise MTW Mobility Program:

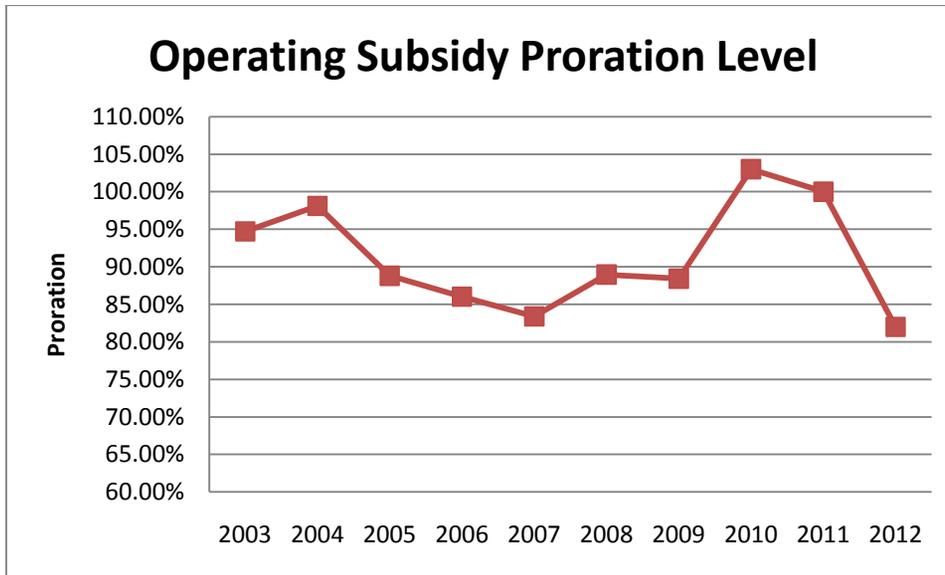
- MPHA revised its current MTW Section 8 Housing Choice Voucher (HCV) Mobility Program to include mobility opportunities for families currently participating in the Section 8 HCV program:
 - When the MTW Mobility Initiative was adopted in 2009, MPHA limited participation to persons on MPHA’s Section 8 waiting list. The incentive for participation was an opportunity for families to move up on the waiting list and more quickly receive a voucher if they met the qualification for the Mobility program and were willing to move into a non-concentrated area.
 - The number of families choosing to participate in this program has been limited and MPHA strongly believes in voluntary efforts to deconcentrate poverty. Deconcentration of poverty is also part of HUD’s Strategic Plan
 - MPHA will create additional incentives to encourage current HCV holders to participate in MPHA’s MTW expanded Mobility program.

MPHA does not anticipate a need to change its authorizations to implement this change because once a current Section 8 HCV family joins the mobility program, it utilizes the same authorizations as the current program and adding incentives are a matter of budget and do not require additional waivers of regulations.

VII. Sources and Uses of Funding

Fiscal Year 2013 MTW Budget

MPHA is committed to the long-term preservation of safe, decent, public housing. Over the last several years, HUD has not provided the adequate resources needed to fund public housing operations and capital improvements. In 2012, HUD provided MPHA only 82% of the amount of operating subsidy needed to operate public housing. In the last ten years, HUD has only provided full operating subsidy (100%) twice.



In contrast, HUD and Congress have consistently provided above 98% of the funding formula needed to fund Housing Choice Voucher Program housing assistance payments. Although the 2013 Appropriations Bill has not been passed by Congress yet, indications thus far, are that the same funding pattern will exist in 2013; that is, relatively level Housing Choice Voucher funding and less than full public housing operating subsidy.

Based on funding assumptions, the MTW Budget assumes a 90% proration level for operating subsidy, and a 6% increase in the Public Housing Capital grant funding from the 2012 level. The budget also assumes \$736,720 in Replacement Housing Factor supported by a \$245,000 contribution from Central Office Cost Center reserves. The Housing Choice Voucher funding is assumed to be near the levels provided by HUD in 2012.

MPHA's 2013 budget funds public housing at \$57.5 million and includes the use of \$18.5 million in public housing Capital Fund Program grant resources. The public housing program is expected to need \$41 million to cover public housing property management, maintenance, security, program administration, and overhead. The public housing program also includes \$17.7 million in capital building improvement expenditures. The total expenses for the public housing program are \$58.7 million leaving the program at a budgeted deficit of \$1.2 million.

The budget assumes that HUD will provide 90% of the operating subsidy formula or \$2 million less than what full funding would provide. A portion of the operating subsidy shortfall is proposed to be made up by redirecting \$1.2 million in Housing Choice Voucher funding to the public housing operating program.

MPHA has a large backlog of capital improvement needs in its public housing real estate. Current estimates project the need for capital improvements at \$170 million over the next 10 years. The proposed capital budget in 2013 anticipates that \$17.7 million would be expended in 2013 from available Capital Fund Program grants.

Under MTW, MPHA has greater flexibility in the use of HUD funding than what has previously existed and this budget proposes to use that flexibility by using Housing Choice Voucher (HCV) Program funds to make up for a portion of the public housing operating subsidy shortfall. This is in contrast to what MPHA is doing in 2012 where MTW reserves were used to make up for the subsidy shortfall. With a significant amount, \$2.9 million, of MTW reserves needed to fund 2012 MTW activities, the further use of reserves in 2013 to fund public housing deficits would bring MPHA's reserves to a level below the amount required to receive high performance scores under HUD's Public Housing Assessment System. Because of the large amount of capital needs, MPHA does not believe it is prudent to redirect Capital Fund grants to cover public housing operating deficits and therefore this budget proposes the use of Housing Choice Voucher Program funding to cover a portion of the public housing operating deficit. Even with the Housing Choice Voucher funding contribution, the public housing operating program would be operating at the equivalent of 95.5% of the amount needed according to HUD's formula.

The 2013 budget proposes to fund the Housing Choice Voucher Program at a level expected to cover 4,496 vouchers per month. The number of vouchers is slightly higher than what MPHA budgeted for in 2012 and above the MTW baseline amount (4407). However, current voucher usage is above 4,600 and MPHA expects that through attrition, the vouchers in service will decline. In addition, MPHA is planning on implementing a new rent structure for the Housing Choice Voucher Program in 2013 which may reduce the cost of a housing voucher allowing the same number of families to be served at a lower cost to the Program. MPHA has increased the number of non-MTW vouchers in use and expects that this will continue in 2013.

MPHA is also proposing to continue funding its public housing rent to own initiative, the implementation of the Housing Choice Voucher rent simplification, the Housing Choice Voucher mobility incentive, public housing seniors wellness incentive program, and the completion of the

conversion of 312 privately-owned public housing units to Section 8 vouchers. The budget includes \$417,000 for these activities which are proposed to be funded from MTW Reserves.

The 2013 MTW Budget proposes to fund public housing operations at \$41 million in 2013; approximately 6.5% more than 2012. The increase is in maintenance and utility costs. The utility cost increase is related to change in converting family public housing units to PHA paid utilities. Public housing capital improvements are funded at \$17.7 million in 2013; a 32% increase but in line with current HUD Capital Fund Program available funds. MPHA is funding Housing Choice Vouchers housing assistance payments at \$41.5 million; the same level funded in 2012.

Fiscal Year 2013 Non- MTW Budget

Also presented is the funding that MPHA plans on utilizing in 2013 that is outside of the MTW Agreement. The primary activities funded by Non-MTW funds in 2013 include the Section 8 Moderate Rehabilitation Program, Veteran Administration Supportive Housing (VASH) vouchers, Family Unification Vouchers (FUP), Section 8 Shelter Plus Care and the MPHA's Central Office Cost Center. The Section 8 Moderate Rehabilitation Program is funded at levels consistent with 2012 and the VASH vouchers include funding expected to cover 165 vouchers. The Family Unification program is expected to fund 85 vouchers in 2013. Over the last few years, MPHA has significantly increased the voucher usage in VASH and FUP.

The Central Office Cost Center is budgeted at a 2.7% increase over 2012. The increase is the result of a \$245,000 contribution from the Central Office Cost Center to the MTW Program as a leverage requirement for RHF funding in the MTW Program.

Other Information

For 2013, MPHA will not use a cost allocation or fee-for-service approach that differs from the 1937 Act requirements.

MPHA does not anticipate any funding from State or local governments in the 2013 MTW Budget.

**Minneapolis Public Housing Authority
Moving To Work
2013 Proposed Sources & Uses**

SOURCES	Public Housing	COCC	HCV ¹	Other ²	Total MTW
DWELLING RENT	\$ 17,000,000	\$ -	\$ -	\$ -	\$17,000,000
INVESTMENT INCOME	\$ 45,000	\$ -	\$ 80,000	\$ -	\$125,000
OTHER INCOME	\$ 1,021,000	\$ -	\$ 150,000	\$ -	\$1,171,000
HUD OPERATING SUBSIDY	\$ 20,683,225	\$ -	\$ -	\$ -	\$20,683,225
HUD HAP SUBSIDY	\$ -	\$ -	\$ 43,500,000	\$ -	\$43,500,000
HUD CAPITAL/RHF FUNDS	\$ 18,520,000	\$ 400,000	\$ -	\$ -	\$18,920,000
HUD HCV ADM. FEE	\$ -	\$ -	\$ 2,670,000	\$ -	\$2,670,000
COCC CONTRIBUTION	\$ 245,000	\$ -	\$ -	\$ -	\$245,000
TOTAL MTW SOURCES	\$ 57,514,225	\$ 400,000	\$ 46,400,000	\$ -	\$104,314,225

USES	Public Housing	COCC	HCV ¹	Other ²	Total MTW
ADMINISTRATIVE EXPENSES	\$ 7,039,545	\$ -	\$ 2,410,000	\$ 352,000	\$ 9,801,545
TENANT SERVICES	\$ 644,145	\$ -	\$ -	\$ 15,000	\$ 659,145
UTILITIES	\$ 8,121,000	\$ -	\$ -	\$ -	\$ 8,121,000
MAINTENANCE	\$ 11,805,210	\$ -	\$ -	\$ -	\$ 11,805,210
PROTECTIVE SERVICES	\$ 1,021,240	\$ -	\$ -	\$ -	\$ 1,021,240
GENERAL EXPENSES	\$ 5,487,900	\$ -	\$ 160,000	\$ 50,000	\$ 5,697,900
MANAGEMENT FEES	\$ 6,286,940	\$ -	\$ 1,052,066	\$ -	\$ 7,319,006
NONROUTINE COSTS	\$ 673,140	\$ -	\$ -	\$ -	\$ 673,140
TOTAL OPERATING EXPENSES	\$ 41,059,119	\$ -	\$ 3,622,066	\$ 417,000	\$ 45,098,185
HOUSING ASSISTANCE PAYMENTS	\$ -	\$ -	\$ 41,543,040	\$ -	\$ 41,543,040
CAPITAL IMPROVEMENTS	\$ 17,615,000	\$ 400,000	\$ -	\$ -	\$ 18,015,000
PUBLIC HSG DEVELOPMENT	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
TOTAL CAPITAL	\$ 17,690,000	\$ 400,000	\$ -	\$ -	\$ 18,090,000
TOTAL MTW USES	\$ 58,749,119	\$ 400,000	\$ 45,165,106	\$ 417,000	\$ 104,731,225
MTW NET SOURCES (USES)	\$ (1,234,894)	\$ -	\$ 1,234,894	\$ (417,000)	\$ (417,000)

Est. Beg. Balance MTW Reserves	\$	13,104,000
Increase (Decrease) of Reserves	\$	(417,000)
End Balance MTW Reserves	\$	12,687,000

1 Housing Choice Vouchers

2 Includes MTW Initiatives (MHOP Conversion, Rent To Own, Rent Simplification, HCV Mobility Initiative and PH Resident Wellness Subsidy)

**Minneapolis Public Housing Authority
Consolidated MPHA
2013 Proposed Sources & Uses**

SOURCES	MTW	Non-MTW	Elimination	PHA
DWELLING RENT	\$ 17,000,000	\$ -	\$ -	\$ 17,000,000
INVESTMENT INCOME	\$ 125,000	\$ 88,000	\$ -	\$ 213,000
CITY/STATE FUNDS	\$ -	\$ -	\$ -	\$ -
HUD SUBSIDY & GRANTS	\$ 85,773,225	\$ 3,385,765	\$ -	\$ 89,158,990
MGMT FEES	\$ -	\$ 7,319,006	\$ (7,319,006)	\$ -
COCC CONTRIBUTIONS	\$ 245,000	\$ -	\$ (245,000)	\$ -
OTHER INCOME	\$ 1,171,000	\$ -	\$ -	\$ 1,171,000
TOTAL SOURCES	\$ 104,314,225	\$ 10,792,771	\$ (7,564,006)	\$ 107,542,990
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USES	MTW	Non-MTW	Elimination	PHA
ADMINISTRATIVE EXPENSES	\$ 9,801,545	\$ 6,949,006	\$ -	\$ 16,750,551
TENANT SERVICES	\$ 659,145	\$ -	\$ -	\$ 659,145
UTILITIES	\$ 8,121,000	\$ 165,000	\$ -	\$ 8,286,000
MAINTENANCE	\$ 11,805,210	\$ 180,000	\$ -	\$ 11,985,210
PROTECTIVE SERVICES	\$ 1,021,240	\$ 48,000	\$ -	\$ 1,069,240
GENERAL EXPENSES	\$ 5,697,900	\$ 395,000	\$ (245,000)	\$ 5,847,900
MANAGEMENT FEES	\$ 7,319,006	\$ -	\$ (7,319,006)	\$ -
NONROUTINE COSTS	\$ 673,140	\$ 350,000	\$ -	\$ 1,023,140
TOTAL OPERATING EXPENSES	\$ 45,098,185	\$ 8,087,006	\$ (7,564,006)	\$ 45,621,185
HOUSING ASSISTANCE PAYMENTS	\$ 41,543,040	\$ 3,920,400	\$ -	\$ 45,463,440
CAPITAL IMPROVEMENTS	\$ 18,015,000	\$ -	\$ -	\$ 18,015,000
PUBLIC HSG DEVELOPMENT	\$ 75,000	\$ -	\$ -	\$ 75,000
TOTAL CAPITAL	\$ 18,090,000	\$ -	\$ -	\$ 18,090,000
TOTAL USES	\$ 104,731,225	\$ 12,007,406	\$ (7,564,006)	\$ 109,174,625
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NET SOURCES (USES)	\$ (417,000)	\$ (1,214,635)	\$ -	\$ (1,631,635)

Est. Beg. Balance PHA Reserves	\$	24,079,000
Increase (Decrease) of Reserves	\$	(1,631,635)
End Balance PHA Reserves	\$	22,447,365

**Minneapolis Public Housing Authority
Consolidated MPHA
2013 Proposed Sources & Uses**

SOURCES	MTW	Non-MTW	Elimination	PHA
DWELLING RENT	\$ 17,000,000	\$ -	\$ -	\$ 17,000,000
INVESTMENT INCOME	\$ 125,000	\$ 88,000	\$ -	\$ 213,000
CITY/STATE FUNDS	\$ -	\$ -	\$ -	\$ -
HUD SUBSIDY & GRANTS	\$ 85,773,225	\$ 3,385,765	\$ -	\$ 89,158,990
MGMT FEES	\$ -	\$ 7,319,006	\$ (7,319,006)	\$ -
COCC CONTRIBUTIONS	\$ 245,000	\$ -	\$ (245,000)	\$ -
OTHER INCOME	\$ 1,171,000	\$ -	\$ -	\$ 1,171,000
TOTAL SOURCES	\$ 104,314,225	\$ 10,792,771	\$ (7,564,006)	\$ 107,542,990

USES	MTW	Non-MTW	Elimination	PHA
ADMINISTRATIVE EXPENSES	\$ 9,801,545	\$ 6,949,006	\$ -	\$ 16,750,551
TENANT SERVICES	\$ 659,145	\$ -	\$ -	\$ 659,145
UTILITIES	\$ 8,121,000	\$ 165,000	\$ -	\$ 8,286,000
MAINTENANCE	\$ 11,805,210	\$ 180,000	\$ -	\$ 11,985,210
PROTECTIVE SERVICES	\$ 1,021,240	\$ 48,000	\$ -	\$ 1,069,240
GENERAL EXPENSES	\$ 5,697,900	\$ 395,000	\$ (245,000)	\$ 5,847,900
MANAGEMENT FEES	\$ 7,319,006	\$ -	\$ (7,319,006)	\$ -
NONROUTINE COSTS	\$ 673,140	\$ 350,000	\$ -	\$ 1,023,140
TOTAL OPERATING EXPENSES	\$ 45,098,185	\$ 8,087,006	\$ (7,564,006)	\$ 45,621,185
HOUSING ASSISTANCE PAYMENTS	\$ 41,543,040	\$ 3,920,400	\$ -	\$ 45,463,440
CAPITAL IMPROVEMENTS	\$ 18,015,000	\$ -	\$ -	\$ 18,015,000
PUBLIC HSG DEVELOPMENT	\$ 75,000	\$ -	\$ -	\$ 75,000
TOTAL CAPITAL	\$ 18,090,000	\$ -	\$ -	\$ 18,090,000
TOTAL USES	\$ 104,731,225	\$ 12,007,406	\$ (7,564,006)	\$ 109,174,625
NET SOURCES (USES)	\$ (417,000)	\$ (1,214,635)	\$ -	\$ (1,631,635)

Est. Beg. Balance PHA Reserves	\$ 24,079,000
Increase (Decrease) of Reserves	\$ (1,631,635)
End Balance PHA Reserves	\$ 22,447,365

VIII. Administrative

The Minneapolis Public Housing Authority (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) in February of 2012. 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.

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.

- July 22, 2012: Public Notice published in the Minneapolis Star Tribune newspaper announcing the comment period for MPHA's Draft FY2013 MTW Plan and public hearing.
- July 31, 2012: Draft MTW Plan posted on MPHA's website for public comment and input
- August 15, 2012: Advance Meeting for public housing, scattered site and family residents and Section 8 participants.
- August __, 2012: Community stakeholder meeting
- August 22, 2012: Public Hearing/Board meeting held
- September 26, 2012: Approval by the Board of Commissioners; resolution is included.

Public comments received and MPHA responses and Certification of Compliance are included with this Plan.