

PART I – MTW PLAN AND RENT REFORM INFORMATION

a) MTW Plan

I. VISION FOR METRO HRA’S LOCAL MTW PROGRAM

The Metropolitan Council Housing and Redevelopment Authority (Metro HRA) is the regional policy-making body, planning agency, and provider of essential services for the Twin Cities seven-county metropolitan region. In 1967, the Minnesota Legislature created the Metropolitan Council to deal with regional issues that transcended boundaries. When the federal Section 8 tenant-based program began in 1974, the state legislature directed Metro HRA to administer the rent subsidy program for smaller suburban communities. Today, Metro HRA administers 6,502 vouchers in four counties consisting of 96 communities. In its federal housing operations, Metro HRA administers the HCV program only. The agency divested itself of its public housing units in 2010.

Metro HRA believes that there is a highest and best point at which housing choice, supportive services, and cost effectiveness coincide to the benefit of HCV participants, Metro HRA, and HUD. Our objective in choosing our Test Rent was to analytically determine the best combination of these three elements. This was accomplished by comparing three different ways of calculating rent using the actual incomes and total tenant payments of current voucher holders. The three rent calculation methods included “stepped rent” (where rent increases a certain percentage each year regardless of income); “tiered rent” (where rent increases every three years based on the income tier of a family); and a “tiered rent/hybrid” (where rents determined by income tiers are then modified by deductions). The analysis showed that the tiered rent approach (MTW

Test Rent #1) resulted in the best combination of cost effectiveness, self-sufficiency, and housing choice. The selected approach is explained in detail in Section IV.

Metro HRA's unique opportunities includes: 1) the expansive four-county jurisdiction that we serve, which provides many opportunities for housing choice to HCV families; 2) the many years in which Metro HRA has administered one of the most innovative HCV programs in the country; 3) the quality and experience of the Metro HRA staff; and 4) the numerous partner organizations with whom Metro HRA collaborates to the benefit of voucher holders.

Unique challenges that Metro HRA faces includes: 1) deciding which MTW initiative(s) to pursue and at what point we should pursue each one; 2) the need to develop a strong resident engagement component that lasts during the six-year Rent Simplification Study and beyond; 3) balancing the funding availability with the self-sufficiency initiatives we wish to provide; 4) engaging Voucher holders in conversations regarding being selected for the treatment group vs. control group; 5) the need to develop effective systems to monitor performance, track progress, and measure program effectiveness; 6) increasing voucher assistance rates overall and in high opportunity neighborhoods; and 7) the underfunding of the HCV program in general. The Metro HRA plans to make decisions regarding specific MTW initiatives in conjunction with Housing Choice Voucher holders through the establishment of a Moving to Work Working Group.

Metro HRA Wants to Participate in the MTW program so it can serve voucher holders smarter, better, and more efficiently. By participating in the MTW program, we at Metro HRA can shift our focus from administrative burden to resident success. In addition, participation in MTW will allow Metro HRA to better meet local housing needs in our 96-community jurisdiction.

Experience and Skills of Metro RHA Personnel with Primary Responsibility for Administration of the MTW Program. Ms. Terri Smith, Metro HRA Director, has worked in the

assisted housing field for nearly 30 years and has been with the Metro HRA for 20 years. Under Ms. Smith's guidance, Metro HRA has become known as an agency that innovates. Ms. Smith led the agency through the Voluntary Conversion of its total Section 9 public housing inventory consisting of 150 units to Project Based Section 8 in 2010. The agency was, we believe, the second in the country to successfully complete the Voluntary Conversion process. Under Ms. Smith's leadership, Metro HRA voluntarily designed and implemented a Mobility Counseling Program (Community Choice) program in 2015 that works with voucher families in making moves to opportunity areas in the region. Program components include: 1) Tenant and landlord outreach; 2) Pre-move counseling – goal setting, contract signing, assistance with overcoming barriers that prevent successful voucher placement; 3) Housing search assistance in areas with less than 20% poverty and above average performing schools; 4) Post-move counseling – quarterly home visits for 2 years to assist with overcoming barriers to success in new neighborhoods; and 5) Tenant education classes for Community Choice participants and high barrier voucher holders. The Mobility Counseling program has assisted 36 voucher families in moving to opportunity areas.

The Metro HRA has a staff of 43, which includes a visionary management team of five and an outreach team of six. All staff will be instrumental in the creation and visioning of the MTW program at Metro HRA. The Outreach team uses a person-centered approach with each family, to remove barriers to success. The team has developed relationships with voucher holders, conducts regular engagement through the Resident Advisory Board, and focus group sessions to gain feedback on policy initiatives. In addition, Metro HRA:

- Maintains a 99% utilization for the HCV program year after year.
- Has been a SEMAP high performer every year since 2004.

- Adopted payment standards for all 96 communities, with tiered standards set in higher rent areas to ensure locational choice for voucher holders.
- Conducts annual landlord workshops, regular landlord meetings and information sessions throughout the region to educate property owners on the Housing Choice Voucher Program.
- Hired an Outreach Coordinator in June 2017 with the goal of fostering positive tenant / landlord relationships and conducting housing search with hard-to-house voucher holders.

Statement of Fair Housing and Other Civil Rights Goals, Strategies and Specific Action.

The Metro HRA fair housing goals and strategies include the following:

- To increase assisted housing choices for all residents across race, ethnicity and income through expansive owner recruitment and retention efforts.
- To encourage movement to areas in the region with less than 20% poverty and above average performing schools.
- To administer programs to encourage integrated settings to provide rental assistance for persons with disabilities.
- To contribute to the State of Minnesota's goal of ending long-term homelessness and the Federal strategic plan to prevent and end homelessness.
- To promote self-sufficiency and stabilize families by focusing on a person-centered approach, setting program participants up for success; and implementing harm reduction and prevention strategies to foster housing stability.

The Metro HRA is a long-standing participant on the Fair Housing Implementation Council, an ad hoc group established in 2002 to coordinate efforts of its participating members to comply with obligations to affirmatively further fair housing throughout the Twin Cities area. The FHIC

membership consists primarily of entitlement jurisdictions, along with the Metro HRA as a financial and content contributor to overcome impediments to fair housing. The Fair Housing Implementation Council coordinates the Regional Analysis of Impediments to Fair Housing study for several jurisdictions in the metropolitan area.

II. PLAN FOR FUTURE COMMUNITY/RESIDENT ENGAGEMENT

The Metro HRA Conducts Regular and Ongoing Engagement with the Resident Advisory Board and Landlord Focus Groups and targeted engagement for special initiatives. The Metro HRA held two resident meetings during the development of this proposal to discuss the Moving to Work application and initiative. Nearly 200 voucher holders attended. All were invited to be part of the Moving to Work Working Group, which will be developed if Metro HRA is selected to participate in the MTW program. The MTW Working Group will be composed of HCV families, Metro HRA staff and other stakeholders. The Working Group will assist Metro HRA in developing a formal and detailed MTW Plan and during the Rent Simplification Study, the Working Group will evaluate progress, identify issues, and brainstorm solutions to be adopted as the program continues to evolve over time. Housing Choice Voucher holders have already expressed an interest in joining the Working Group, and continued outreach efforts will be conducted throughout the program period and beyond.

In addition, the Metro HRA **plans to conduct affirmative outreach and engagement efforts** with racial and ethnic minorities, persons with Limited English Proficiency, persons with disabilities, families with children and groups representing such persons. through the following social service agencies and community groups.

- American Indian Community Development Corporation

- Casa De Esperanza
- Centro Cultural Chicano
- Confederation of Somali Community
- Hmong American Partnership
- Lutheran Social Services
- Mental Health Resources
- Metropolitan Center for Independent Living
- Lutheran Social Services

Also during the Study period, Metro HRA **will conduct outreach efforts to the broader community, to landlords who are currently participating in the program or who could participate, to existing and new service provider organizations, to HCV families currently enrolled in the program and to new families that become voucher holders**. As with the proposed Working Group, all stakeholders will be supported and encouraged by Metro HRA to work with the agency over time. Stakeholder participation will ensure the success of the MTW program through increasing buy-in and making sure that no viewpoint goes unconsidered or overlooked.

III. PHA OPERATING AND INVENTORY INFORMATION

Metro HRA's HCV Program and Households Served

Metro HRA has operated a Section 8 program since 1974. The agency also administers a variety of other rent assistance programs serving specialized populations. Metro HRA has maintained between 98% and 100% utilization of vouchers for over 10 years, except for 2014 and sequestration. The Metro HRA does not anticipate any major changes in housing stock or the

ability to serve with the award of MTW status. Metro HRA's program including federal and state grants and initiatives, includes the following:

Housing Choice Vouchers – 6,859

- Tenant Based – 6,036
- Project Based – 823
 - 46 separate projects with privately owned housing units
 - 150 units - Family Affordable Housing Program, a Council-owned scattered site housing program serving families with children.
- Veteran's Affairs Supportive Housing – 157
 - Serves veterans experiencing homelessness with referral and case management provided by the Department of Veteran's Affairs.
- Non-Elderly Disabled – 200
 - Serves non-elderly persons living with disabilities.
- Mainstream Vouchers– 203
 - Serves non-elderly persons with disabilities that are currently experiencing homelessness, at risk of homelessness, transitioning out of segregated settings, or are at risk of institutionalization.
- Family Unification Program – 44
 - Provides Housing Choice Voucher rent assistance to families for whom lack of adequate housing is a primary factor in placement of children in out-of-home care or the delay in discharge of children back to the home.

Housing Opportunities for Persons with Aids (HOPWA) - 51

Provides federal housing assistance and services to low-income families and person living with HIV / AIDS. The Metro HRA has a partnership with Just Us Health who provide referrals and support services.

Bridges - 185

State funded rental assistance for person with serious and persistent mental illness, with a high priority for people experiencing homelessness. The Metro HRA has a partnership with Anoka, Hennepin and Ramsey Counties for referral and support services.

Housing Trust Fund program – 45

State funded rent assistance with a priority for those with the most barriers to housing stability, according to Coordinated Entry, who are participating in the Minnesota Family Investment Program with the goal of self-sufficiency. The Metro HRA has a partnership with the Anoka County Workforce Center.

Other Initiatives Include: The Mobility Counseling Program (Community Choice) program which Metro HRA created and implemented in 2015 that works with voucher families in making moves to opportunity areas in the region. The Mobility Counseling Program is described more fully in Section I on page 3.

Metro HRA and the Minneapolis Public Housing Authority (MPHA) entered into a Joint Exercise of Powers Agreement in January 2020 which authorizes Metro HRA to administer Section 8 HCV assistance in the City of Minneapolis subject to the terms and conditions of the agreement and establishes a framework for transitioning 87 participant households from rental assistance under the Continuum of Care program to the HCV program.

Metro HRA and the MPHA also developed the Minneapolis Metropolitan Area Regional Housing Mobility Plan in July 2020. The Plan is a working document which synthesizes the

planning process facilitated by Mobility Works between September through December 2019. The goals of the Regional Mobility Program are to develop a regional structure that can provide HCV participants with expanded housing choice while reducing the number of HCV families with young children living in high-poverty neighborhoods. This Plan forms the basis for the joint Mobility Demonstration Voucher program application, which both agencies are developing at present.

IV. PLAN FOR LOCAL MTW PROGRAM

Cost Effectiveness, Self-Sufficiency and Housing Choice

The Metro HRA's overall MTW Vision focuses on shifting the focus from administrative burden to resident success. Our analysis shows that the Test Rent #1: Tiered Rent option projects an annual Housing Assistance Payment savings of more than \$2.2 million -- funds which can be repurposed for other uses such as:

- Goal setting with voucher holders
- Self-sufficiency services such as tenant education and financial literacy training
- Provision of housing search assistance and neighborhood education
- Tenant / landlord mediation services

Under the Tiered Rent option, families have an opportunity to build wealth during the periods of time when rent does not increase. Families would have three years to work on tenant empowerment activities – tackling debt, goal setting, working on getting ahead and preparing for a (potential) increase in rent after the third year.

Conducting recertifications every three years instead of every year, eliminating deductions and expenses for families in the treatment group, and increasing the limit allowed for self-

certification of assets, all provide tremendous savings in staff time, allowing staff to focus on other initiatives linked to resident success.

The Metro HRA recently adopted a waiting list preference for a Homework Starts with Home program, a partnership with suburban schools to provide rent assistance and services to students experiencing homelessness or at risk of homelessness, and their families. Partnerships like this take time and administration. There is a tremendous need in the community to assist homeless students and their families achieve housing stability.

V. PROPOSED USE OF MTW FUNDS

Metro HRA intends to use all cost savings realized by the proposed Tiered Rent method to promote family success through education, jobs training, career development, financial literacy, housing search, goal setting, and one-on-one counseling with families. In short, the overall focus will be on helping families overcome barriers to achievement by shifting the agency's focus from administrative processes and procedures to resident success.

Specifically, it costs money to provide mobility support – housing search, tenant education and goal setting. Dollars realized from the HAP savings will be invested in integration efforts such as security deposits and moving expenses. The Metro HRA is a Section 8 only agency and will use the fungibility provisions to transfer funds between HAP and Administrative costs.

VI. EVIDENCE OF SIGNIFICANT PARTNERSHIPS

The Metro HRA has operated the Housing Choice Voucher program in the Twin Cities region for over 45 years. The four-county region offers families an interconnected network of social services providers, many of whom are Metro HRA partners. Examples include:

Coordinated Entry Partnerships – The Metro HRA partners with Hennepin, Ramsey, and Suburban Metro Area Continuum of Care in a “Move Up” Program and preference as well as 25+ years of Continuum of Care program administration.

Homework Starts with Home – The Metro HRA established a partnership with the Suburban Ramsey County Family Collaborative to provide rent assistance and services to people of underserved and under-supported populations who are homeless, double up or at risk of homelessness. The Collaborative includes over 100 community resource partnerships to ensure success of families in suburban Ramsey County.

Rental Assistance for Anoka County - The Metro HRA operated a self-sufficiency rent assistance program for 20+ years in Anoka that included a formal partnership with the Anoka County workforce center.

Family Unification Program - The Metro HRA operates a Family Unification program with partnership with Anoka County Child Protection

Metro HRA has an outreach team with the purpose of assisting families with housing stability and includes partnerships with:

HousingLink – Affordable housing clearinghouse that provides vacancy information and fair housing resources.

Bridging – a nonprofit organization that provides donated furniture and household goods to families and individuals transitional out of homelessness and poverty.

The Metro HRA will continue to leverage funding and in-kind resources through partnerships with county social service agencies, non-profits, other public agencies, and philanthropic organizations to develop ongoing supports to assist families in achieving success and housing stability.

b) Rent Reform Information

I. ALTERNATIVE RENT POLICY SELECTION AND RATIONALE

Metro HRA has chosen to test MTW Test Rent #1: Tiered Rent during the study period. The tiered rent table and the potential impact on Metro HRA voucher families is shown below.

METRO HRA’S TIERED RENT TABLE

Minimum Income	Maximum Income	Midpoint	TTP	Households
\$ -	\$ 2,499.00	\$ 1,249.50	\$ 50.00	465
\$ 2,500.00	\$ 4,999.00	\$ 3,749.50	\$ 93.74	133
\$ 5,000.00	\$ 7,499.00	\$ 6,249.50	\$ 156.24	260
\$ 7,500.00	\$ 9,999.00	\$ 8,749.50	\$ 218.74	805
\$ 10,000.00	\$ 12,499.00	\$ 11,249.50	\$ 281.24	1307
\$ 12,500.00	\$ 14,999.00	\$ 13,749.50	\$ 343.74	601
\$ 15,000.00	\$ 17,499.00	\$ 16,249.50	\$ 406.24	515
\$ 17,500.00	\$ 19,999.00	\$ 18,749.50	\$ 468.74	462
\$ 20,000.00	\$ 22,499.00	\$ 21,249.50	\$ 531.24	351
\$ 22,500.00	\$ 24,999.00	\$ 23,749.50	\$ 593.74	346
\$ 25,000.00	\$ 27,499.00	\$ 26,249.50	\$ 656.24	279
\$ 27,500.00	\$ 29,999.00	\$ 28,749.50	\$ 718.74	233
\$ 30,000.00	\$ 32,499.00	\$ 31,249.50	\$ 781.24	178
\$ 32,500.00	\$ 34,999.00	\$ 33,749.50	\$ 843.74	136
\$ 35,000.00	\$ 37,499.00	\$ 36,249.50	\$ 906.24	146
\$ 37,500.00	\$ 39,999.00	\$ 38,749.50	\$ 968.74	130
\$ 40,000.00	\$ 42,499.00	\$ 41,249.50	\$ 1,031.24	113
\$ 42,500.00	\$ 44,999.00	\$ 43,749.50	\$ 1,093.74	72
\$ 45,000.00	\$ 47,499.00	\$ 46,249.50	\$ 1,156.24	44
\$ 47,500.00	\$ 49,999.00	\$ 48,749.50	\$ 1,218.74	43
\$ 50,000.00	\$ 52,499.00	\$ 51,249.50	\$ 1,281.24	49
\$ 52,500.00	\$ 54,999.00	\$ 53,749.50	\$ 1,343.74	25
\$ 55,000.00	\$ 57,499.00	\$ 56,249.50	\$ 1,406.24	21
\$ 57,500.00	\$ 59,999.00	\$ 58,749.50	\$ 1,468.74	21
\$ 60,000.00	\$ 62,499.00	\$ 61,249.50	\$ 1,531.24	12
\$ 62,500.00	\$ 64,999.00	\$ 63,749.50	\$ 1,593.74	19
\$ 65,000.00	\$ 67,499.00	\$ 66,249.50	\$ 1,656.24	6
\$ 67,500.00	\$ 69,999.00	\$ 68,749.50	\$ 1,718.74	7
\$ 70,000.00	\$ 72,499.00	\$ 71,249.50	\$ 1,781.24	6
\$ 72,500.00	\$ 74,999.00	\$ 73,749.50	\$ 1,843.74	2
\$ 75,000.00	\$ 77,499.00	\$ 76,249.50	\$ 1,906.24	4
\$ 77,500.00	\$ 79,999.00	\$ 78,749.50	\$ 1,968.74	0



Metropolitan Council Housing and Redevelopment Authority (Metro HRA)

\$ 80,000.00	\$ 82,499.00	\$ 81,249.50	\$ 2,031.24	1
\$ 82,500.00	\$ 84,999.00	\$ 83,749.50	\$ 2,093.74	1
\$ 85,000.00	\$ 87,499.00	\$ 86,249.50	\$ 2,156.24	2
\$ 87,500.00	\$ 89,999.00	\$ 88,749.50	\$ 2,218.74	1
\$ 90,000.00	\$ 92,499.00	\$ 91,249.50	\$ 2,281.24	1
\$ 92,500.00	\$ 94,999.00	\$ 93,749.50	\$ 2,343.74	0
\$ 95,000.00	\$ 97,499.00	\$ 96,249.50	\$ 2,406.24	0
\$ 97,500.00	\$ 99,999.00	\$ 98,749.50	\$ 2,468.74	0
\$ 100,000.00	\$ 102,499.00	\$ 101,249.50	\$ 2,531.24	0
\$ 102,500.00	\$ 104,999.00	\$ 103,749.50	\$ 2,593.74	0
\$ 105,000.00	\$ 107,499.00	\$ 106,249.50	\$ 2,656.24	0
\$ 107,500.00	\$ 109,999.00	\$ 108,749.50	\$ 2,718.74	0
\$ 110,000.00	\$ 112,499.00	\$ 111,249.50	\$ 2,781.24	1
\$ 112,500.00	\$ 114,999.00	\$ 113,749.50	\$ 2,843.74	0
\$ 115,000.00	\$ 117,499.00	\$ 116,249.50	\$ 2,906.24	0
\$ 117,500.00	\$ 119,999.00	\$ 118,749.50	\$ 2,968.74	0
\$ 120,000.00	\$ 122,499.00	\$ 121,249.50	\$ 3,031.24	0
\$ 122,500.00	\$ 124,999.00	\$ 123,749.50	\$ 3,093.74	0
\$ 125,000.00	\$ 127,499.00	\$ 126,249.50	\$ 3,156.24	1
			Total	6799

EFFECT ON TENANT PORTION -- Average Change +\$30 TTP

Change in Tenant Portion	Households	
>+\$100	186	Increased TTP decreases HAP
\$75-\$99	286	
\$50-\$74	1054	
\$25-\$49	2318	
\$10-\$24	1108	
\$1-\$9	530	
0	162	Decreased TTP increases HAP
-\$1-\$9	569	
-\$10-\$24	551	
-\$25-\$49	33	
-\$50-\$74	2	
-\$75-\$99	0	
>-\$100	0	

Assumptions and Comments:

1. Assumes all HCV holders are in a tiered rent (no 10% of gross income calculation), except for minimum rents for enhanced vouchers. We are aware that only a portion of eligible voucher holders will be in a tiered rent during the study period, but because random assignments will be made, we cannot identify which households will be included in the treatment group and which will be in the control group.
2. The large increases in TTP are due to medical or childcare allowances no longer being counted and the 10% gross TTP no longer being used.
3. Decreases in TTP are due to household income that places a family at the very top of the tier.

Financial Impact to Metro HRA

Monthly HAP savings	\$187,997
Annual HAP savings	\$2,255,964

Rationale. Of the three simplified rent calculation methods, the “Test Rent #1: Tiered Rent” approach with no deductions was the most beneficial in terms of HAP savings, certainty for families and availability of funding to promote initiatives that support family success. Of the other two methods considered, the “Test Rent #2: Stepped Rent” was eliminated because it would have increased total monthly tenant payments in many cases well over \$100. In addition, total tenant payments would continue to rise year after year. Metro HRA also considered a Tiered Rent/Hybrid method whereby the \$480 dependent allowance would be provided. While this method would result in the most stability in rent payment for families, it resulted in only \$190,617.60 in annual HAP savings.

II. DESCRIBE ALTERNATIVE RENT POLICY TO THE PUBLIC

The Metro HRA's enrollment period will begin after the six to 12-month period HUD anticipates finalizing the rent policies, training staff, updating data/software systems and completing any other task required. Participants will be randomly assigned to a treatment or control group at their regularly scheduled annual recertification via a computerized random assignment. Households that are over age 56 or disabled and households with special purpose vouchers will be excluded. Participants will benefit from tiered rents by not having recertifications or rent increases for three years. Participants can use that time on empowerment activities such as goal setting, debt tackling, working on getting ahead and preparation for increased income (and potentially increased rent) in three years. Participants will also benefit from the additional services that may be provided by Metro HRA to assist with self-sufficiency. The Metro HRA will develop policies for households that have a hardship and experience a drop in income. A household will receive a hardship if the total annual gross income drops into a lower tier than they were assigned to in their triennial reexamination. The hardship rent will last between one and 12 months but may be renewed. The specific hardship policies will be developed in conjunction with the Moving to Work Working Group (current voucher holders).

III. INFORMATION TECHNOLOGY PLAN

The Metro HRA utilizes Happy Software through MRI as its housing platform. The MRI software company will be conducting compliance updates specific to the MTW Expansion cohorts. The Metro HRA successfully implemented AssistanceConnect and iDIA in 2015. These software modules allow online communication with tenants and landlords and full electronic content management. The Metro HRA also successfully implemented Small Area Fair Market rents in 2020 which required software enhancements.