



2013 Annual Awards Entry Form
(Complete one for each entry.)

Entry Name Management Innovation/Operations: Sending Project Based Section 8 Vouchers Electronically

Fill out the entry name *exactly* as you want it listed in the awards program.

HFA Minnesota Housing

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Entry form with description, check(s), and visual aids (optional) must be received by NCSHA by **Monday, July 1, 2013**.

Use this header on the upper right corner of each page.

HFA Minnesota Housing

Entry Name Management Innovation/Operations: Sending Project Based Section 8 Vouchers Electronically

Communications	Homeownership	Legislative Advocacy	Management Innovation
<input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Federal Advocacy <input type="checkbox"/> State Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input checked="" type="checkbox"/> Operations <input type="checkbox"/> Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs	<input type="checkbox"/> Special Achievement	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

The Cost and Time Savings of Electronically Sending Project Based Section 8 Vouchers

Minnesota Housing is submitting a nomination for management innovation award for recent changes made to the way in which the agency manages the Section 8 Project Based rent assistance program ("Section 8"), a federal Department of Housing and Urban Development ("HUD") program administered by Minnesota Housing. This achievement improved a service, improved efficiency and can be replicated.

The beauty of this nomination is the spirit of simplicity that drove this advancement in how we deliver the program. The innovation was born from the simple question from a dedicated new employee who simply asked, isn't there an easier way to do this? This employee wondered aloud why we mail vouchers through the U.S. Postal Service when we could more quickly and cost-effectively email them instead.

The Section 8 program subsidizes low income tenant rents through a contract with a rental property owner to pay monthly rental assistance. The program requires all participating rental property owners/managers to receive a copy of the Housing Assistance Payment Voucher, Form HUD 52670 each month which reflects the funding they will receive for the tenants at their property. Until recently, the Vouchers, which can be several pages per property (some are more than 20 pages), were mailed through the U.S. Postal Service to 500+ rental property owners and managers every month.

During a Tenant Rental Assistance Certification System (TRACS) team meeting, a team member suggested emailing the Vouchers each month instead. The team, through a Kaizen inspired continuous improvement event, developed a cost benefit baseline and "as-is" state, by documenting the costs of mailing the Vouchers through the U.S. Postal Service, recording the time each team member spent printing Vouchers and preparing envelopes, as well as identifying the number of steps, hand-offs and approvals needed in order to complete the monthly process. During the Kaizen process, stakeholders identified a potential barrier relating to the emailing of tenants' private data. The team researched potential data privacy issues with our technology department and came up with a secure upload solution. With documented information on the "as is" state and a proposal for the future state, the team provided their conclusions and recommendations to Minnesota Housing leadership. Formal approval was provided to the team to email Vouchers to Section 8 properties, which began in August 2012. It has proven to be successful by every measure, including cost savings, staff efficiency, and customer satisfaction.

Two separate work units within Minnesota Housing are using this project as a basis for the electronic submission of information to customers. Minnesota Housing plans to share this information as a best practices case study with affordable housing industry and other state Housing Finance Agencies.

Minnesota Housing Business Technology Support (BTS) provided the technology options available to the TRACS team to maintain data privacy regarding the email of Vouchers. For data privacy assurance, BTS recommended the use of the State of Minnesota secure email system, rather than the password protection of an Adobe PDF document. There is no cost for the use of the State of Minnesota secure email System, and the system has proven easy for customers to use.

Implementation and Savings

The Section 8 rental property owners and managers provided immediate feedback regarding the receipt of Vouchers by email. The response was overwhelmingly (100%) positive. Previously, it could take days for a Section 8 site to receive its Voucher through the mail (the sites are required to sign and return the front page). The first month this occurred, Minnesota Housing received the first signed Voucher within three minutes of electronically sending the property the Voucher. Customer comments Minnesota Housing received included: "I'm excited to see the electronic mailing system. Our Contract Administrator is wonderful to work with!"; "This is so nice and quick; I like it."; "I like it because it is much easier now".

The Minnesota Housing TRACS team documented all expenses related to the monthly mailing of Vouchers to the 500+ Section 8 developments. This included the costs related to paper, postage, envelopes, and staff time. The TRACS team has implemented this initiative and the team expects an estimated annual savings of \$5,344.80 in postage, envelopes and paper, and an annual savings of \$5,506.08 in staff time.

With 17 reams of paper used each month specifically for the mailing of Vouchers, the team and agency will save 204 reams (102,000 sheets of paper) of paper each year. Customers (Section 8 Project Based developments) benefited by receiving their Vouchers immediately, without the delay of the mail.