

Committee Report

Community Development Committee



Committee Meeting Date: Sept. 16, 2024

For the Metropolitan Council: Sept. 18, 2024

Business Item: 2024-258 SW

Establish Public Hearing Date – Pathways to Removing Obstacles to Housing, FY 2024 Application to U.S. Dept. of Housing and Urban Development.

Proposed Action

That the Metropolitan Council establish a date to conduct a public hearing at the October 7, 2024, Community Development Committee meeting, to discuss and receive comment on a grant application to the U.S. Department of Housing and Urban Development for the “Pathways to Removing Obstacles to Housing” (PRO Housing) program.

Summary of Community Development Committee Discussion/Questions

Senior Manager Sarah Berke presented the proposed business item and provided an overview of the compressed timeline required to meet the deadline for submitting a PRO Housing grant application to HUD. Committee members expressed their support for submitting a new application to the PRO Housing program.

The motion carried unanimously.

Business Item

Metropolitan Council



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District(s), member(s):	All
Policy/legal reference:	Federal Consolidated Appropriations Act, 2024; and Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.)
Staff prepared/presented:	Sarah Berke, Senior Manager, Livable Communities and Housing, 651-602-1198
Division/department:	Community Development

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Background

In August 2024, the U.S. Department of Housing and Urban Development (HUD) published a Notice of Funding Opportunity for the second round of the program, “Pathways to Removing Obstacles to Housing” (PRO Housing), intended to empower communities that are actively taking steps to remove barriers to affordable housing and seeking to increase housing production and lower housing costs for families over the long term. HUD defines barriers to affordable housing as caused by zoning decisions, land use policies, or regulations; inefficient procedures; gaps in available resources for development; deteriorating or inadequate infrastructure; lack of neighborhood amenities; or challenges to preserving existing housing stock such as increasing threats from natural hazards, redevelopment that reduces the number of affordable units, or expiration of affordability requirements.

The Met Council received a \$4 million award in the inaugural round of the program, offered in FY 2023 and announced in late June 2024; staff are working with HUD to finalize the grant agreement now. The opportunity to reapply in the FY 2024 program cycle presents an opportunity to continue and expand on the initial grant award, especially because the \$4 million award funded only a portion of our initial \$10 million request.

A total of \$100 million is available in 2024 under this grant opportunity. Awards are intended to range in size from \$1 million to \$7 million, with a grant term of up to six (6) years. Local and state governments, metropolitan planning organizations (MPOs), and multijurisdictional entities are eligible to apply. The Council would submit an application as the designated MPO for the seven-county region. The grant program requires applicants to make a draft application available for

public comment for a 15-day period, and to hold a public hearing. Complete applications are due to HUD by October 15, 2024. Staff proposes opening public comment in mid-September and holding a public hearing on the proposed grant application at the next Community Development Committee meeting, October 7, 2024, to meet this submittal timeline.

A Public Notice would be published later in September with the draft PRO Housing application text, at least 15 days in advance of the public hearing date. The Committee would receive a staff report on public comments and consider a final staff recommendation to submit the PRO Housing application after the public hearing at its October 7, 2024, meeting, for Council same-week action on October 9, 2024.

Rationale

Federal regulations for the Notice of Funding Opportunity for PRO Housing require the Council to conduct a public hearing and open a minimum 15-day public comment period on the draft grant application, in order to submit an application to the PRO Housing funding opportunity.

Thrive lens analysis

The PRO Housing grant program opportunity aligns with Thrive MSP 2040 outcomes of equity, livability, and stewardship, as well as with the 2040 Housing Policy Plan goal to create housing options that give people in all stages of life and of all economic means viable choices for safe, stable and affordable homes. This grant opportunity would also expand the region's capacity for advancing forthcoming Imagine 2050 Housing Policy Plan goals.

Funding

Responding to application opportunities like PRO Housing is part of the Community Development division's ongoing workplan and is supported by staff and consulting time in the budget for Livable Communities and division-wide grant application opportunities.

