

Community Development Committee

Meeting date: March 16, 2015

For the Metropolitan Council Meeting of March 25, 2015

Subject: Project Based Voucher Award Recommendations, Parkview Villa, Columbia Heights

Policy/Legal Reference: 24 Code of Federal Regulations, Part 983

Staff Prepared/Presented: Terri Smith, HRA Manager, (651) 602-1187

Division/Department: Community Development / HRA

Proposed Action

That the Metropolitan Council approve the award of 100 Section 8 Project Based Vouchers (PBV) to the following project and authorize staff to execute necessary documents with the U.S. Department of Housing and Urban Development (HUD) and project owners:

Project Name	City	Number of Units in Project	Number of PBV Units Requested	Target Population
Parkview Villa	Columbia Heights	146	101	Age 62+ and disabled

Background

Parkview Villa is a 146 unit apartment complex consisting of two buildings, known as the North (101 units) and the South (45 units) buildings located in Columbia Heights. The North building, the subject of this approval, consists of 100 one-bedroom units and 1 two-bedroom unit and houses residents who are age 62 and older and/or disabled. The South building contains 45 one and two-bedroom units.

Parkview Villa was built in 1975 as federal public housing and was owned and operated by the City of Columbia Heights' Housing and Redevelopment Authority. In 2009, the city of Columbia Heights determined that due to the shrinking operating subsidies provided by HUD, continued ownership and operation of Parkview Villa as public housing was no longer economically feasible. As a result, the City submitted an application to HUD to dispose of the property through HUD's voluntary conversion process. HUD approved the City's application and awarded Tenant Protection Vouchers to preserve the affordability for exiting residents. Because Columbia Heights is part of Metro HRA's service area for the Section 8 Housing Choice Voucher program, the TPVs were awarded to the Metro HRA.

The Council's Housing and Redevelopment Authority (Metro HRA) administers 6,335 Section 8 Housing Choice Vouchers. These vouchers are tenant-based and move from place to place with the tenant. HUD allows housing authorities the discretion to Project Base up to twenty percent (20%) of their vouchers. PBV ties the rental assistance to a specific unit instead of to a tenant.

The Metro HRA, to date, has awarded a total of 486 PBV units to 25 separate projects located in Anoka, Carver, Hennepin, Ramsey and Washington Counties. PBVs may be attached to newly constructed, rehabilitated or existing housing units.

The housing units must:

- Be occupied by households at or below 50% of area median income;

- Have rents that are reasonable and within the rent limits established by the housing authority;
- Meet health and safety inspection standards set by HUD.

A Request for Proposals (RFP) for Section 8 PBVs, using the new allocation of tenant protection vouchers, was issued on December 22, 2014, offering up to 101 vouchers for developments in need of tenant protection vouchers following a voluntary conversion process.

The only proposal received in response to the RFP was Parkview Villa. Staff evaluated the proposal according to criteria outlined in the Section 8 Administrative Plan and found it met the eligibility criteria, specifically, the extent to which the proposal:

- Demonstrates owner experience in administering affordable housing;
- Contributes to the long-term viability of the metropolitan area's affordable housing stock;
- Preserves existing affordable housing;
- Utilizes tenant protection vouchers;
- Demonstrates community support;

Additionally, in 2011, Aeon was chosen through a competitive selection process by the City of Columbia Heights as the housing developer and future owner for Parkview Villa. Aeon will preserve and improve all 146 units as affordable apartments. 101 units (North building) will serve households with PBV rent assistance with incomes at or below 50% of the Area Median Income (AMI). 41 units (South building) will be tax credit units and serve households with incomes at or below 60% AMI. The remaining 4 units will have unrestricted income and rent limits to avoid displacement of current residents.

If approved, the HRA will enter into a Housing Assistance Payments Contract with Aeon to provide PBV assistance effective on or about May 1, 2015.

Rationale

Awarding 101 units of PBV will contribute to the preservation of affordable housing at Parkview Villa and will allow affordability to remain in place for existing residents.

Funding

Funding for the new allocation of tenant protection vouchers, awarded as PBV, is provided by HUD.

Known Support / Opposition

There is no known opposition to this recommendation.