

Community Development Committee

Meeting date: November 21, 2016

For the Metropolitan Council meeting of December 14, 2016

Subject: Project Based Voucher Award Recommendations

District(s), Member(s): All

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 proposals for Project Based Voucher (PBV) assistance and authorize staff to execute necessary documents with the U.S. Department of Housing and Urban Development (HUD) and the owners of the projects to assign a total of 30 Vouchers in six (6) projects as follows:

Project	City	Total Units in Project	PBV Request	PBV Award
Ramsey Apartments	Ramsey	54	15	15
Clover Ridge Townhomes	Carver	3	3	3
The Glen at Valley Creek	Woodbury	42	4	4
W 1 st Street	Chaska	4	4	4
Oak Grove Senior Residence	Norwood Young-America	50	3	2
Crossings at Town Centre	Waconia	68	3	2
Total			32	30

Background

The Council's Housing and Redevelopment Authority (Metro HRA) administers 6,500 Housing Choice Vouchers. The majority of 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. PBVs may be tied to new construction, rehabilitated or existing housing units.

The Metro HRA has awarded 665 PBV units in 33 separate projects to date located in 27 cities throughout Anoka, Carver, Hennepin, Ramsey and Washington Counties. Units awarded PBVs 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.

The PBV program is marketed to interested owners/developers as part of Minnesota Housing Finance Agency's (MHFA) Consolidated Request for Proposal (RFP) process. The process provides a centralized means for developers to access a variety of funds to assist in affordable housing development, acquisition or rehabilitation.

Proposals ranked high enough to receive other requested funding to ensure financial feasibility are then ranked by the Metro HRA based on the PBV selection criteria outlined in the HRA's Administrative Plan including:

- Owner experience;
- Extent to which the project furthers the goal of deconcentrating poverty;
- To promote projects that are located outside of Areas of Concentrated Poverty;
- To increase the supply of affordable housing;
- To contribute to the long-term viability of the metro area housing stock;
- To integrate housing and tenant services such as education, job training and self-sufficiency;
- To promote the provision of services for special needs tenants;
- To encourage economic integration;
- To encourage housing for larger families;
- Extent to which the project promotes linkages among housing, jobs and transportation;
- Extent of community support.

There were 8 applications that requested a total of 45 PBVs during this funding round. Two projects (13 units) were determined to not be financially feasible by MHFA and are not being recommended for PBVs. Staff found the remaining six projects meet the necessary criteria and recommend PBV awards to the following proposals:

Ramsey Apartments

Ramsey Apartments is a new transit-oriented construction project that will include a three-story building containing 54 units from 1 to 4 bedrooms. Four of the units are designated for long-term homeless families. Four units will serve households with disabilities with Section 811 funding. Nine 3-bedroom units and six 4-bedroom units will be awarded project based vouchers.

The building will be situated on a 2-acre vacant site in the City of Ramsey's downtown area. Located within a ½ mile of the Northstar Rail line – Ramsey Station, this project provides access to surrounding communities including Minneapolis and Mall of America. Aeon will partner with Rise, Inc. to provide a full array of support services.

Minnesota Housing Finance Agency (MHFA) is providing a deferred loan, HOME, Section 811 funding and 9% tax credits to the project. The Council is committing \$100,000 in Local Housing Incentives Account funds and a \$250,000 LCA Transit Oriented Development grant.

Clover Ridge Townhomes

Clover Ridge Townhomes is a partnership between the Carver County Community Development Agency (CDA) and the Chaska school district. The project contains 6 townhome units, 3 of which are owner occupied through the CDA's Community Land Trust program considered affordable workforce housing. The other three units are proposed as PBVs. The units are 3 level, 3 bedroom, 1.5 bath units that will serve homeless families in partnership with the school district and social service partners.

The townhomes are located in the Chaska town center near shops, businesses and higher density housing, surrounded by single-family homes. A Southwest Transit bus stop is across the street with a Park and Ride 2 miles from the units.

This is an existing housing project.

The Glen at Valley Creek

Washington County Housing and Redevelopment Authority will develop The Glen at Valley Creek to address the housing needs of the growing senior population. The project will include 42 units, 1 and 2 bedrooms, of independent living with optional personal care and nursing services to seniors age 62 and up, allowing seniors to age in place. The parcel has known environmental hazards and is a priority redevelopment location for the city.

The site is located within ½ mile of express bus services as well as a range of retail, entertainment, service and dining options. When complete, the project will be the only development in Woodbury serving seniors at or below 50% AMI.

MHFA is providing a deferred loan, Senior Rental Housing Pilot funding and 4% tax credits. The Council is committing \$400,000 in LHIA funds. The City is also committing funding through the HOME and CDBG programs to this project.

West 1st Street

West 1st Street contains 4 existing units in 2 duplexes in Chaska. The units are currently transitional housing through MHFA's Publicly Owned Transitional Housing Program. The funding sources ends in October 2016. Attaching PBVs will preserve the unit affordability. There is one 1-bedroom, two 2-bedrooms and one 4-bedroom unit proposed to serve homeless individuals and families.

The Carver County CDA is a HUD approved Counseling Agency able to provide homeless and rental counseling and budget and financial literacy counseling, ensuring occupant success.

There is an express bus stop ½ mile away with a Southwest Transit park and Ride 2.8 miles away. The property is located within minutes of services, banks, retail and restaurants.

There is no other funding as this is existing housing.

Carver County Senior Housing

The Carver County CDA is proposed 3 units each at two senior developments. Due to the number of PBV requests and the scoring of applications, the two projects are each being recommended for 2 PBV units instead of the requested 3. The PBV recommended units are 1-bedroom units serving seniors age 55 and older. One unit in each project will service a homeless senior.

Oak Grove Senior Residence

This property is a 6 year old senior housing development located in Norwood Young America. The property contains 50 units including efficiencies, 1 and 2 bedroom units. The PBVs are being recommended for two 1-bedroom units. The property is located within one mile of groceries, bank, clinic and convenience store.

Crossings at Town Centre

Built 12 years ago, this existing housing community includes 68 units of housing serving seniors 55 plus. The units include efficiencies, 1 and 2 bedroom units. The PBVs are proposed for two 1 bedroom units. The property is located within close proximity to groceries, services and a community center.

Rationale

Awarding thirty (30) new PBV units will result in the total commitment to PBVs of 695 vouchers or 10% of Metro HRA's total voucher allocation.

Funding

Funding for the Project Based Voucher program is provided through the U.S. Department of Housing and Urban Development.

Known Support / Opposition

Ramsey Apartments and The Glen at Valley Creek both received a funding commitment from MHFA and are being recommended for financial support by the Council as indicated above. The other 4 projects are existing housing owned by the Carver County Community Development Agency. None of the projects are located in Areas of Concentrated Poverty (ACP).