

Community Development Committee

Meeting date: Monday, February 20, 2018

For the Metropolitan Council meeting of February 28, 2018

Subject: Metro HRA Administrative Plan Revision – Project Based Vouchers

District(s), Member(s): All

Policy/Legal Reference: Code of Federal Regulations Title 24, part 982 and 983

Staff Prepared/Presented: Terri Smith, Director, Housing and Redevelopment Authority (HRA)

Division/Department: Community Development / HRA

Proposed Action

That the Metropolitan Council approve revisions to the Administrative Plan, as outlined below, to incorporate additional language for the award of Project Based Vouchers (PBV).

Background

The Council's Housing and Redevelopment Authority (Metro HRA) is required by the U.S. Department of Housing and Urban Development (HUD) to adopt an Administrative Plan that establishes local policies for administering the Housing Choice Voucher (HCV) Program. Although HUD develops regulations for program administration, the housing authority establishes discretionary policies that go along with the regulation. The Administrative Plan outlines these regulations and the discretionary policies. The Administrative Plan and any revisions must be approved by the Council.

Changes to the Administrative Plan are generally submitted for approval as part of the Public Housing Agency plan each October. The Council approved the most current Administrative Plan on September 27, 2017 – [2017-211](#). The Metro HRA is proposing a change to the Project Based Voucher chapter, Proposal Selection Procedures.

HUD provides housing authorities with discretion to establish policies on the process to award Project Based Vouchers (PBVs). The federal regulations governing the program have recently changed to allow more flexibility in PBV awards. Specifically, the regulations now allow a PBV award without a competitive process when a project was previously awarded other government funding that was subject to competition – like tax credits, for example. To acknowledge this regulation change, the following policy language addition is proposed:

Selection of Proposals Subject to a Previous Competition under a Federal, State, or Local Housing Assistance Program

- *The PHA will accept proposals for PBV assistance, on an ongoing basis, from owners that were competitively selected under another federal, state or local housing assistance program, including projects that were awarded Low-Income Housing Tax Credits.*
- *The PHA may directly contact specific owners that have already been selected for federal, state, or local housing assistance based on a previously held competition, to inform them of available PBV assistance.*
- *Proposals will be reviewed on a first-come first-served basis. The PHA will evaluate each proposal on its merits using the existing award criteria.*

Below is the existing award criteria as outlined in the Administrative Plan with one proposed change:

- *Owner experience and capability to build or rehabilitate housing;*
- *Extent to which the project furthers the PHA goal of deconcentrating poverty and expanding housing and economic opportunities;*
- *To promote projects located outside of Areas of Concentrated Poverty (40% or more living below 185% of poverty level) where at least 50% of the residents are people of color (ACP50s) unless the project is preserving an existing subsidy to help maintain affordability;*
- *To increase the supply and availability of affordable housing for very low and extremely low-income households in the metro area;*
- *To contribute to the upgrading and long-term viability of metro area housing stock;*
- *To integrate housing and tenant services such as education, job training and day care to encourage self-sufficiency;*
- *To promote the provision of services for special needs tenants needing support services;*
- *To encourage economic integration in housing development;*
- *To the extent possible, encourage the development of housing for larger families needing 3 or more bedrooms;*
- *To promote cooperative partnerships that link support services with affordable housing;*
- *Extent to which the proposed project promotes linkages among housing, jobs and transportation and/or promotes higher-density development along selected transportation corridors; and*
- *Extent of community support for the proposed housing*

Rationale

Adopting the recommended policy language will allow the award of additional PBVs, providing permanent affordable units in quality housing projects in suburban locations.

Thrive Lens Analysis

Prosperity – Awarding additional PBVs will allow low-income families with the opportunity for stable housing and the means to flourish and thrive.

Equity – Awarding additional PBVs will provide opportunity for the region’s low-income residents to have access to homes that are located in neighborhoods not impacted by race and poverty.

Funding

Not applicable

Known Support / Opposition

The policy change is supported by Minnesota Housing Finance Agency as a creative way to award PBVs.