

Community Development Committee

Meeting date: December 2, 2019

For the Metropolitan Council meeting of December 11, 2019

Subject: Project Based Voucher Award Recommendations

District(s), Member(s): District(s), Member(s): All

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

Staff Prepared/Presented: Terri Smith, Director, Housing and Redevelopment Authority, (651) 602-1187

Division/Department: Community Development / Housing and Redevelopment Authority

Proposed Action

That the Metropolitan Council approve the award of Veteran’s Affairs Supportive Housing (VASH) Project Based Voucher (PBV) assistance and authorize staff to execute the necessary documents with the project owners for the following three (3) projects as shown in Table 1 below.

Table 1. Recommended Project Based Voucher Awards

Project	City	Total Units in Project	PBV Award
Owasso Gardens	Roseville	60	8
The Element	Plymouth	58	4
Core Crossings	Shakopee	59	8

Background

The Council’s Housing and Redevelopment Authority (Metro HRA) administers 6,727 Housing Choice Vouchers. The majority of these vouchers are tenant-based and move from place to place with the tenant. The U.S. Department of Housing and Urban Development (HUD) allows housing authorities the discretion to Project Base up to twenty percent (20%) of their vouchers, referred to as PBVs (Project Based Vouchers). PBV ties the rental assistance to a specific unit instead of to a tenant. PBVs may be tied to new construction, rehabilitated units, or existing housing units.

The Metro HRA typically offers Project Based Vouchers to interested owners/developers as part of Minnesota Housing’s 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.

The Metro HRA offered 20 PBVs under the Veteran’s Affairs Supportive Housing (VASH) program as part of this process. The VASH program combines HUD Housing Choice Voucher program rental assistance for veteran’s experiencing homelessness with case management and clinical services provided by the U.S. Department of Veterans Affairs (VA).

The Metro HRA has awarded 803 PBV units in 44 separate projects to date located in 30 cities throughout Anoka, Carver, Hennepin, Ramsey, and Washington Counties. Units awarded PBVs must:

- be occupied by very low-income 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.

Review Process

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 (unless a preservation project);
- 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.

VASH PBVs were requested for 6 projects during the 2019 funding round. Two projects (12 units) were determined not to be financially feasible (i.e. not receiving the required funding to move forward). One project (10 units) was not interested in serving veterans experiencing homelessness. Staff found the remaining 3 projects (20 units) to meet the necessary criteria. Proposals were ranked according to the above criteria and all 20 units are being recommended for VASH PBVs and described below.

Owasso Gardens, Roseville

CommonBond is the owner/developer for Owasso Gardens, a 60-unit, new construction project targeted to seniors 55+, located in the northeast corner of Roseville. The 8 VASH PBV units will serve senior veterans experiencing homelessness. The project will assist the City with its need for more age-restricted affordable housing. Owasso Gardens will help seniors age in place and remain in the community. Support services will be available on-site to provide permanent supportive housing for individuals experiencing homelessness, along with services provided by the VA.

Owasso Gardens is supported by the Council with a \$645,000 Livable Communities Demonstration Account Grant and by Minnesota Housing with 4% tax credits.

The Element, Plymouth

The Element would benefit low-income households in Plymouth by providing new rental opportunities for a range of family sizes (up to 6 people) with the 58-unit project consisting of one-, two-, and three-bedrooms units. The Element will serve veterans experiencing homelessness in 4 VASH PBV units and will set-aside 4 Housing Support units for persons with disabilities experiencing homelessness. In addition, the Plymouth HRA committed 6 PBV units to the project. The Element will work with a service provider for households experiencing homelessness to provide case management, family support, and housing and tenancy supports.

The Element is support by the Metropolitan Council with \$500,000 in Local Housing Incentive Funds and by Minnesota Housing through the award of 4% tax credits.

Core Crossing, Shakopee

Core Crossing is a 59-unit project containing one-, two-, and three-bedroom units in Shakopee. The project will serve individuals and families at or below 30% to 60% of area median income. The 4 VASH PBV units will serve veterans experiencing homelessness. In addition, Core Crossing will set aside four Housing Support units for families and individuals with disabilities experiencing homelessness. Core Crossings will work with a service provider to offer case management, family support, and housing and tenancy supports for persons experiencing homelessness.

Core Crossing is supported by Minnesota Housing through the award of 9% low-income tax credits.

Rationale

Awarding twenty (20) new PBV units will result in the total commitment to PBVs of 823 vouchers or 12% of Metro HRA's total voucher allocation. The three recommended VASH PBV project awards will support new affordable housing and will assist in meeting the Governor's goal of being the fourth state to end veteran homelessness.

Thrive Lens Analysis

The award of Project Based Vouchers supports the Thrive outcomes of equity, livability, and prosperity by increasing the housing choices available to low income families across the region. Families that have stable housing in a community of their choice are better able to thrive and flourish.

Funding

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

Known Support / Opposition

All three projects have Minnesota Housing support with tax credits and two projects have Metropolitan Council support with Livable Communities grant awards.