

Metropolitan Council Housing and Redevelopment Authority (Metro HRA)

Project Based Voucher Program Award Recommendations

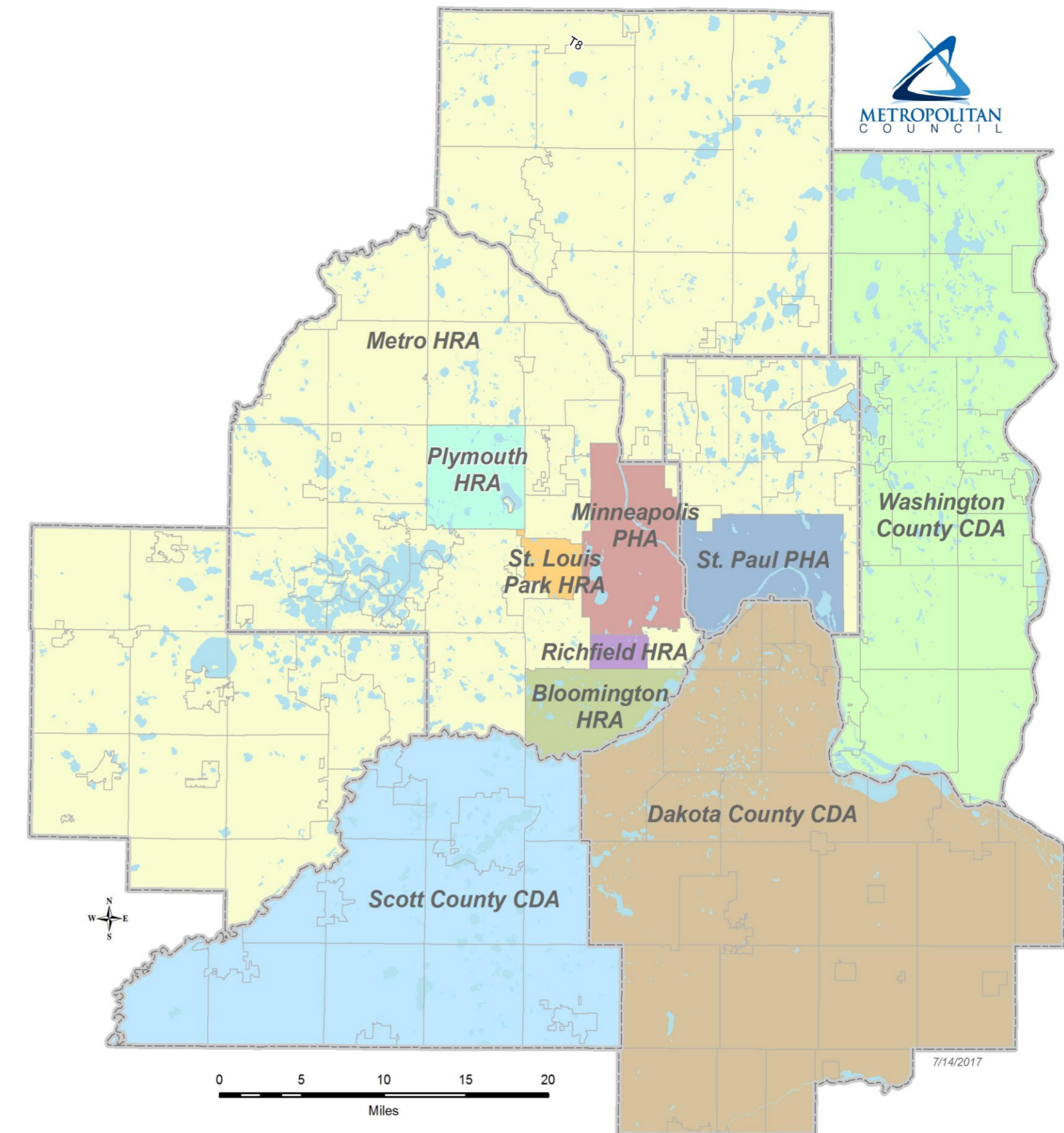
March 18, 2019

Community Development Committee



Metro HRA Voucher Program

- 6,697 federal Housing Choice Vouchers (Section 8)
- U.S. Department of Housing and Urban Development allows HRA discretion to project-base up to 20% of its vouchers.
 - New Construction or Existing Housing
- Current Council approval = up to 20% of vouchers
- Current Voucher split
 - 5,907 Tenant-Based
 - 790 Project-Based (12%)
- Project Based Vouchers
 - 46 Projects
 - 30 Communities



Tenant Based vs. Project Based Vouchers

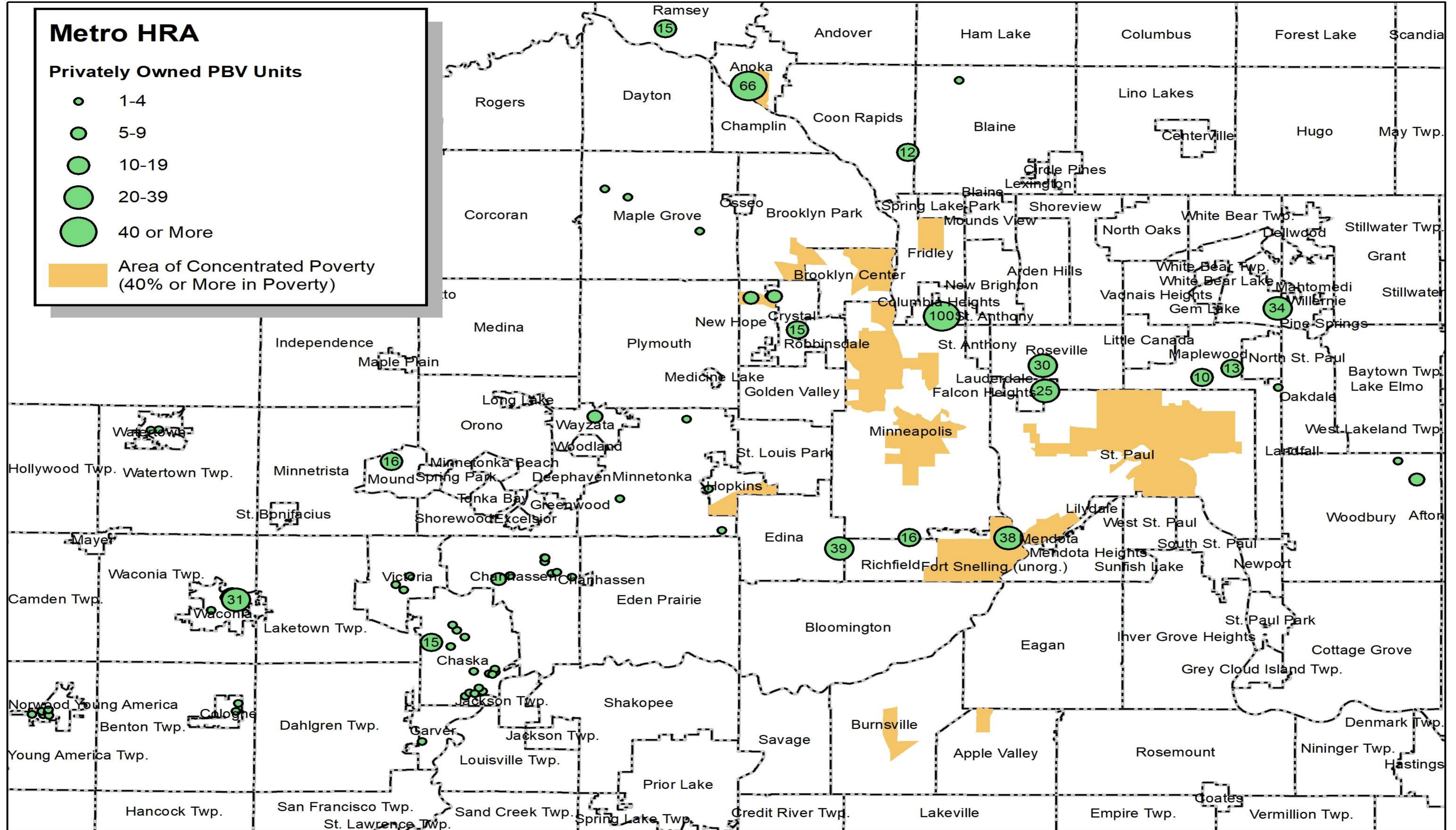
Tenant-Based Vouchers	Project-Based Vouchers
Tied to the tenant	Tied to the unit
Tenant pays 30% of income towards rent	Tenant pays 30% of income towards rent
Tenant has locational choice	Locational choice is limited
Tenant burdened with finding a landlord willing to accept a voucher	Landlord already committing to program participation
Voucher openings filled with Metro HRA waiting list applicants	Unit openings marketed to families on the Metro HRA waiting OR filled through referral from service providers
Concentration of voucher holders in lower rent areas of the region	Ensure permanent affordable housing units are placed in desired neighborhoods

Metro HRA

Privately Owned PBV Units

- 1-4
- 5-9
- 10-19
- 20-39
- 40 or More

Area of Concentrated Poverty
(40% or More in Poverty)



Project Based Voucher Offer and Award

- Competitively offered through MN Housing Request for Proposals Process
- Projects first ranked by MN Housing and funding partners
- Financially feasible projects that request PBVs are forwarded to Metro HRA for ranking
- Ranking criteria outlined in the Metro HRA Administrative Plan
 - Owner experience
 - Extent to which the project deconcentrates poverty
 - Promote projects outside of Areas of Concentrated Poverty (unless preservation)
 - Integration of housing and tenant services
 - Economic integration
 - Development of units for large families
 - Cooperative partnerships
 - Linkages among housing, jobs and transportation
 - Community support

Project Based Voucher Offer and Requests

- 15 Project Based Vouchers offered in 2018 funding round
- 11 owners requested a total 99 Project Based Vouchers
- 7 developments (66 units) not financially feasible
 - Did not get necessary financing to move forward
- 4 developments (26 units) were ranked by Metro HRA for Project Based Vouchers
 - 2 top scoring projects being recommended for Project Based Vouchers
 - 2 lower scoring projects not being recommended



Project Based Voucher Requests

Project Name	City	Project Type	# PBVs Requested	#PBVs Recommended for Award
Trail Point Ridge	Eden Prairie	New Construction	6	6
Minnetonka Heights	Minnetonka	Existing Housing Preservation	15	9
Carver County Senior Housing	Chanhassen Norwood Young America Waconia	Existing Housing	9	0
Carver County Townhomes	Watertown	No units purchased yet	6	0

Trail Point Ridge, Eden Prairie

- Common Bond - New Construction Project
- 58 Units
 - 1, 2 and 3 bedroom units
- 6 PBV units will serve individuals with disabilities
- Located within ¼ mile to a high frequency transit stop and 2.9 miles from the Southwest Light Rail project
- Mixed-use and mixed-income
- Other funding
 - Metropolitan Council Livable Communities funds
 - Minnesota Housing tax credits
 - Hennepin County HOME
 - Eden Prairie TIF



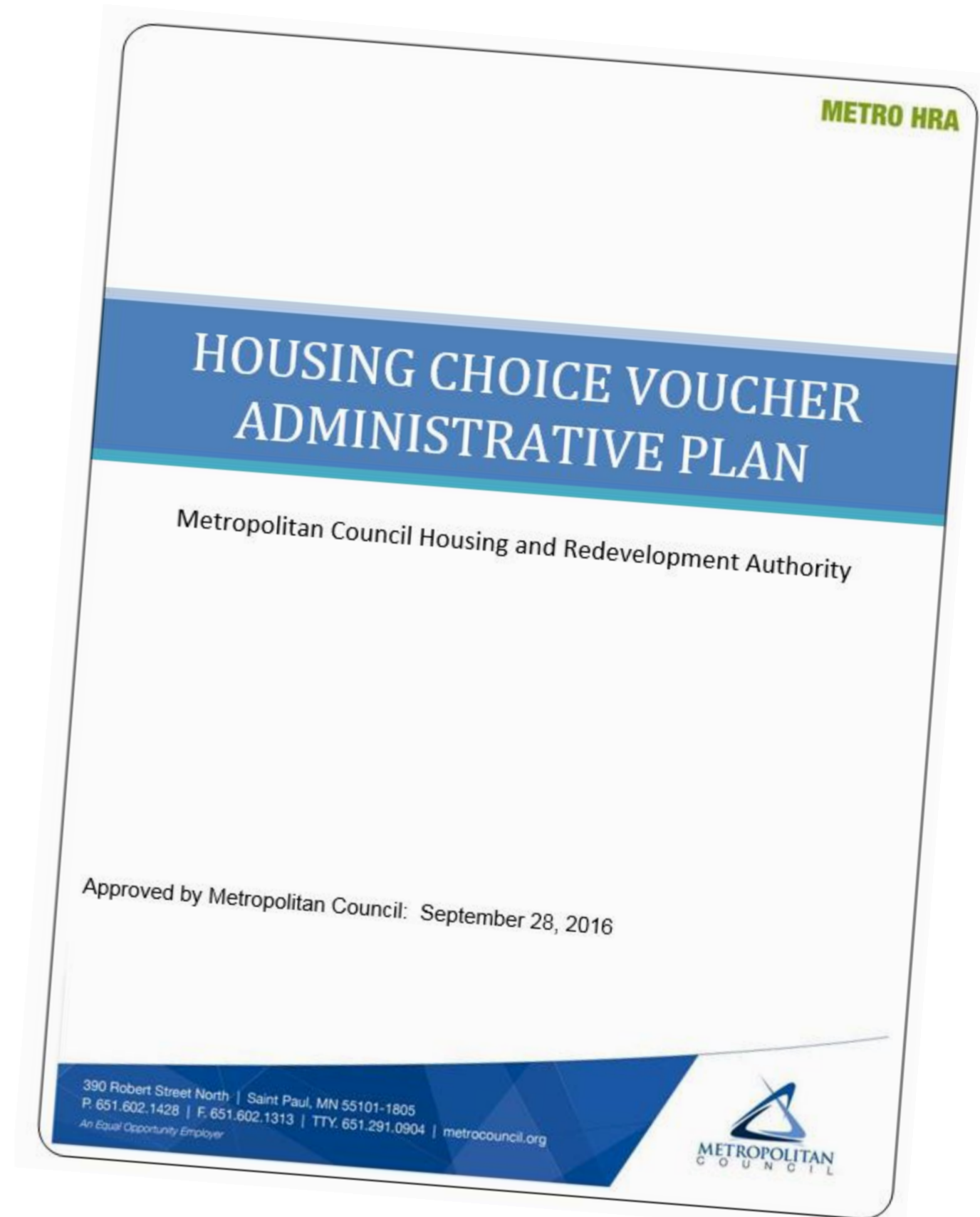
Minnetonka Heights, Minnetonka

- Preservation project – Existing Housing
 - Property purchased by an out of town investor
 - New owner wants to preserve affordability for existing residents
- 172 Units
 - 1, 2 and 3 bedroom units
 - 90 units are under a federal Section 8 Contract
 - 53 units will be awarded tenant-protection vouchers from the U.S. Department of Housing and Urban Development
 - 20 residents have Housing Choice Vouchers
 - 9 Project Based vouchers being recommended
- Award will prevent displacement of current residents not receiving other types of rent subsidy.



Carver County Projects

- Not being recommended for vouchers this round
- School District Partnership
 - Carver County has not purchased the units yet so the project is not eligible for PBVs
- Senior Housing
 - Application scored lower than previous two projects
 - Can re-apply at a later date.



Next Steps

- Trail Pointe Ridge

- Enter into an Agreement to Enter into a Housing Assistance Payments Contract
 - Commits the PBVs during the construction period
- Enter into a Housing Assistance Payments Contract upon construction completion
 - 20 year contract
- Units inspected to ensure all meet health and safety requirements
- Pay rent on behalf of unit occupants

- Minnetonka Heights

- Meet with current residents of PBV unit to determine eligibility
- Inspect all units
- Enter into a Housing Assistance Payments Contract
 - 20 year contract
- Pay rent on behalf of unit occupants

Recommendation

That the Metropolitan Council approve the award of Project-Based Voucher (PBV) assistance and authorize staff to execute the necessary documents with the project owners for the following two (2) projects:

Project	City	Units in Project	PBV Award
Trail Pointe Ridge	Eden Prairie	58	6
Minnetonka Heights	Minnetonka	172	9

Community Development Committee Meeting

Metropolitan Council Housing and Redevelopment Authority (Metro HRA)

Presented by: Terri Smith, Director, Housing and Redevelopment Authority
March 18, 2019

