

Community Development Committee

Meeting date: January 21, 2020

For the Metropolitan Council meeting of January 22, 2020

Subject: Approval of Joint Powers Agreement Between the Metropolitan Council and the Minneapolis Public Housing Authority (MPHA) for the administration of Section 8 Housing Choice Voucher program rent assistance in the City of Minneapolis

District(s), Member(s): All

Policy/Legal Reference: Minn. Stat. §§ 473.195, subd. 1 & 471.59

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

Division/Department: Community Development / Metro HRA

Proposed Action

That the Metropolitan Council:

1. Approve the attached Joint Powers Agreement between the Metropolitan Council and the Minneapolis Public Housing Authority (MPHA) for the administration of Section 8 Housing Choice Voucher program rent assistance in the City of Minneapolis.
2. Authorize the Community Development Director to execute the Agreement on behalf of the Council.

Background

The Metro HRA administers federal Section 8 Housing Choice Voucher (HCV) program rent assistance in Anoka, Carver, and most of suburban Hennepin and Ramsey counties, but does not administer the Section 8 HCV program in Minneapolis. Under Minn. Stat. § 473.195, subd. 1, the Council cannot administer HCV assistance in Minneapolis unless the Council enters into a joint powers or other cooperative agreement with the MPHA for the administration of HCV assistance in Minneapolis.

The federal Continuum of Care (CoC) program is intended to address homelessness by: providing homeless individuals and families with housing assistance; providing access to mainstream programs for homeless individuals and families; and optimizing self-sufficiency among individuals and families experiencing homelessness. The Council has administered the housing assistance component of the CoC program within the metropolitan area since 1996, including within the City of Minneapolis. The Council could administer CoC assistance in Minneapolis without an agreement with the City because the CoC is not a component of the Section 8 HCV program.

The Metro HRA is reallocating the CoC program back to the Continuums of Care effective at the end of the current grant terms expiring April and May 2020. The program model is no longer effective due to program rule changes, support services component, its underfunding and the cost to run the program. The reallocation will allow the Continuums to reallocate the funds to other, more effective use. As part of the reallocation, the existing households will be transferred to the Metro HRA's HCV program to ensure that they continue to receive rent assistance. There are 87 households currently receiving CoC program assistance in Minneapolis.

The Metro HRA and MPHA agree that the transition from CoC to HCV would be seamless and better for the households if the Metro HRA continued working with the 87 households in Minneapolis even after the transition from the CoC program to the HCV program. This proposed transition will be the least disruptive to the households and permit the Council and the MPHA to efficiently administer their respective HCV programs.

The transition to HCV for the 87 households is beneficial. The CoC and HCV programs both have the same rent calculation formula resulting in the households paying about 30% of their income towards rent. The HCV program has a portability function that allows the households to move wherever they want with their voucher. The CoC program does not have that flexibility.

The Metro HRA worked with Council and MPHA legal staff to draft the attached Joint Powers Agreement which will allow the Metro HRA to administer the existing 87 HCVs in the City of Minneapolis. If this proposed agreement is approved by the governing bodies of the MPHA and the Council, this agreement will continue as long as the households are receiving HCV assistance from the Council under the terms of the agreement. This agreement will expire when the households move from their current units or no longer are eligible for HCV rent assistance.

Funding

Funding for both the Housing Choice Voucher and the Continuum of Care programs is provided by the U.S. Department of Housing and Urban Development. The Metro HRA will no longer receive CoC funding after expiration of the grants. The transition to CoC will be absorbed into the Metro HRA approved HCV budget.

Known Support / Opposition

The CoC program reallocation is being done with the support of the U.S. Department of Housing and Urban Development, the Continuums of Care and the County partners.

PROPOSED

Council Agreement No. _____

JOINT EXERCISE OF POWERS AGREEMENT BETWEEN THE METROPOLITAN COUNCIL AND THE MINNEAPOLIS PUBLIC HOUSING AUTHORITY FOR THE ADMINISTRATION OF SECTION 8 HOUSING CHOICE VOUCHER PROGRAM ASSISTANCE IN THE CITY OF MINNEAPOLIS

THIS AGREEMENT (“Agreement”) is between the Minneapolis Public Housing Authority (the “MPHA”) and the Metropolitan Council (the “Council”).

WHEREAS, the Council receives grant funding from the U.S. Department of Housing and Urban Development (“HUD”) under the federal Continuum of Care program and, through its Metro HRA unit, administers the tenant-based rental assistance component of the Continuum of Care program for 87 households living in Minneapolis; and

WHEREAS, Metro HRA made a decision in partnership with HUD and the Continuums of Care to reallocate the Continuum of Care program back to the Continuums and transition the rental assistance component of the Continuum of Care program to the federal Section 8 Housing Choice Voucher (“HCV”) program effective the end of the Continuum of Care grant terms expiring April 30, 2020 and May 31, 2020; and

WHEREAS, Metro HRA will transition the program participants from the Continuum of Care program to the federal Section 8 HCV program to ensure continued rent assistance to current program participants; and

WHEREAS, the MPHA administers a federal Section 8 HCV program in Minneapolis; and

WHEREAS, Metro HRA administers federal Section 8 HCV program assistance for households in Anoka, Carver, and most of suburban Hennepin and Ramsey counties, but does not administer Section 8 HCV assistance in Minneapolis because, under Minnesota Statutes, section 473.195, subdivision 1, the Council cannot administer Section 8 assistance in Minneapolis unless the Council enters into a joint or other cooperative agreement with the MPHA for the administration of Section 8 assistance in Minneapolis; and

WHEREAS, the MPHA and the Council believe it is in the best interests of the 87 households for Metro HRA to administer Section 8 HCV assistance for these 87 households so the transition from the Continuum of Care program to the Section 8 HCV program can be accomplished in a manner that is least disruptive to the households and permits the Council and the MPHA to efficiently administer their respective Section 8 HCV programs; and

WHEREAS, the Council and the MPHA are “governmental units” under Minnesota Statutes, section 471.59, subdivision 1, and are authorized under section 471.59, subdivisions 1 and 10, to enter into a joint powers agreement under which they can perform on behalf of the other services or functions they are authorized to provide for themselves; and

WHEREAS, the Board of Commissioners of the Minneapolis Public Housing Authority approved this Agreement by action at its _____, 2020 meeting (Resolution No. _____) and the governing

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body of the Metropolitan Council approved this Agreement by action at its _____, 2020 meeting (Business Item No. 2020-___).

NOW, THEREFORE, the MPHA and the Council agree as follows:

I. PURPOSE

1.01 Purpose. The purpose of this Agreement is to: (1) authorize the Council to administer Section 8 HCV assistance in the City of Minneapolis subject to the terms and conditions in this Agreement; and (2) establish a framework for transitioning the 87 “Participant Households” from rental assistance under the Continuum of Care program to rental assistance under the federal Section 8 HCV program in a manner that is least disruptive to the Participant Households.

II. DEFINITIONS

2.01 Definitions. For the purposes of this Agreement, the following terms have the meanings ascribed to them in this section, unless otherwise indicated by the context:

- (a) “*Absorbed*” means the point at which a receiving Public Housing Agency (“PHA”) starts making assistance payments on behalf of an eligible Section 8 HCV household with funding under its consolidated Annual Contributions Contract with HUD.
- (b) “*Administrative Plan*” means the written administrative plan required under federal regulations (24 C.F.R. § 982.54) that establishes a PHA’s policies for the administration of its Section 8 HCV program. The Administrative Plan may be amended from time to time.
- (c) “*Continuum of Care program*” means the federal Continuum of Care program authorized under Subtitle C of Title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. §§ 11381-11389), as amended, and its implementing regulations (24 C.F.R. Part 587).
- (d) “*Effective Date*” means the date this Agreement has been fully executed by both Parties’ authorized representatives.
- (e) “*Participant Households*” means the 87 households in Minneapolis who are receiving rental assistance from the Council under the federal Continuum of Care program as of the Effective Date of this Agreement. Participant Households does not include any households other than these 87 Participant Households. A Participant Household no longer qualifies as a Participant Household when the Participant Household: (1) moves from the dwelling unit the household occupied as of the Effective Date; or (2) becomes ineligible for Section 8 HCV assistance. If a Participant Household vacates the dwelling unit the household occupied as of the Effective Date and moves into a different dwelling unit in the same building or a different dwelling unit in the same apartment complex, that household no longer qualifies as a “Participant Household” under the terms of this Agreement.
- (f) “*Portability*” means the statutory and regulatory provisions (24 C.F.R. § 982.355) under which a person or family moves (in accordance with 24 C.F.R. § 982.353(b)) to an area outside the “initial” PHA jurisdiction and whose Section 8 HCV assistance is administered by the “receiving” PHA if a PHA with a Section 8 HCV program has jurisdiction in the area where the unit is located. For the purposes of this Agreement and portability, a Participant Household will be considered to have moved

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to an area outside the “initial “ PHA jurisdiction, if the Participant Household moves from the dwelling unit the Participant Household occupied as of the Effective Date of this Agreement to either another dwelling unit located in Minneapolis, or to a dwelling unit located outside of Minneapolis. If a Participant Household vacates the dwelling unit the household occupied as of the Effective Date and moves into a different dwelling unit in the same building or a different dwelling unit in the same apartment complex, that move will be covered by the portability provisions of this Agreement.

III. TERM, EXPIRATION, AND TERMINATION

3.01 Term. This Agreement is effective on the Effective Date.

3.02 Expiration. Unless this Agreement is terminated earlier under Section 3.03, this Agreement and the Council’s authority to administer Section 8 HCV assistance in Minneapolis will expire on the date when no Participant Households are receiving Section 8 HCV assistance from the Council under the terms of this Agreement.

3.03 Termination. This Agreement may be terminated or rescinded by either Party for any reason upon 90 days’ written notice to the other Party.

IV. EXERCISE OF POWERS

4.01 Implementation. The MPHA and the Council intend to implement this transition in a manner that is least disruptive to the Participant Households and that allows the MPHA and the Council to efficiently administer their respective Section 8 HCV programs.

(a) **Council Responsibilities.** To accomplish this transition the Council will:

- (1) in consultation with the MPHA, develop a plan for informing the Participant Households and their landlords about the transition to Section 8 HCV assistance;
- (2) process Participant Household applications for Section 8 HCV assistance and determine Participant Household eligibility for Section 8 HCV assistance for the dwelling units the Participant Households occupied as of the Effective Date;
- (3) conduct inspections in accordance with HUD Housing Quality Standards;
- (4) enter into Housing Assistance Payment contracts with the owners or property managers of the dwelling units occupied by the Participant Households as of the Effective Date;
- (5) administer Section 8 HCV assistance for Participant Households in accordance with the Council’s HCV Administrative Plan; and
- (6) notify the MPHA when no Participant Households are receiving Section 8 HCV assistance through Metro HRA at the dwelling units the Participant Households occupied as of the Effective Date of this Agreement.

(b) **MPHA Responsibilities.** To accomplish this transition the MPHA will:

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- (1) timely notify Metro HRA if it intends to absorb any Participant Households (while the Participant Households are living in their current dwelling units) into the MPHA's Section 8 HCV program through potability or otherwise; and
- (2) provide Section 8 HCV assistance to an eligible Participant Household on a portability basis if the Participant Household chooses to move to a different eligible dwelling unit in Minneapolis for which the MPHA can approve the household's tenancy.

4.02 No Obligation to Absorb. Unless this Agreement is terminated or rescinded under Section 3.03, the MPHA is not obligated to absorb any Participant Household into the MPHA's Section 8 HCV program while the Participant Household lives in the dwelling unit the Participant Household occupied as of the Effective Date.

4.03 Collaborative Efforts. On an as-needed basis, or as requested by a Party, the Parties will confer with each other on the status and implementation of the transition and Metro HRA's administration of Section 8 HCV assistance for the Participant Households.

4.04 No Disbursement of Funds. Neither Party will disburse any fees or other funds to the other Party under this Agreement. The MPHA and the Council will be responsible for their own costs and expenses and will not be responsible for the other Party's costs and expenses.

V. GENERAL PROVISIONS

5.01 Amendments. This Agreement may be amended by written agreement signed by the Parties' duly authorized signatories. Any substantive amendments to this Agreement must be approved by action of the Council's governing body and action of the Board of Commissioners of the Minneapolis Public Housing Authority.

5.02 Authorized Representatives. For the purposes of administering this Agreement and receiving notices relating to this Agreement, the Parties' authorized representatives (or their successors) are:

For the Metropolitan Council:

Terri Smith, Director Metro HRA
390 Robert Street North
Saint Paul, Minnesota 55101
terri.smith@metc.state.mn.us

For the Minneapolis Public Housing Authority:

Tracey Scott, Interim Executive Director
1001 Washington Avenue North
Minneapolis, Minnesota 55401
tscott@mplspha.org

If the Council or the MPHA designate different authorized representatives the Council and the MPHA will notify the other Party about the designation. The authorized representatives may not execute amendments to this Agreement unless their respective governing bodies or their respective administrative policies and procedures authorize them to execute amendments.

5.03 Government Data. Data on Participant Households, including their home addresses, are classified as private data on individuals under Minnesota Statutes, section 13.462, subdivisions 1 and 3. Data on Participant Households that may be shared by the Parties under this Agreement will be administered consistent with Minnesota Statutes chapter 13, and other applicable state and federal laws and regulations.

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5.04 Liability. Pursuant to Minnesota Statutes, section 471.59, subdivision 1a, the Council and the MPHA will be responsible for their own acts and omissions and the results of those acts or omissions. Neither the Council nor the MPHA waives any tort liability limitations conferred on them by Minnesota Statutes, sections 466.04, or 471.59, subdivision 1a, or any other liability limitations or immunities conferred on them by state or federal law.

IN WITNESS WHEREOF, the MPHA and the Council have caused this Agreement to be executed by their duly authorized signatories.

**MINNEAPOLIS PUBLIC
HOUSING AUTHORITY**

METROPOLITAN COUNCIL

By: _____
Tracey Scott
Interim Executive Director

By: _____
LisaBeth Barajas, Director
Community Development

Date: _____

Date: _____