

## Community Development Committee

Meeting date: February 1, 2021

For the Metropolitan Council meeting of February 10, 2021

**Subject:** Addition to the 2021 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, 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 Project Based Voucher (PBV) rent assistance and authorize the Metro HRA Director to execute the necessary documents with the project owner for the following project as shown in Table 1 below.

Table 1. Recommended Project Based Voucher Award

Project	City	Total Units in Project	PBV Award
Balsam Apartments II	Dayton	48	4

### Background

The Council's Housing and Redevelopment Authority (Metro HRA) administers 6,859 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 has awarded 926 PBV units (13% of total vouchers) in 54 separate projects to date located 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 reasonable rent, not to exceed 110% of the Fair Market Rent
- meet health and safety inspection standards set by HUD

The Council awarded eighty-one (81) PBVs at its January 13, 2021 meeting, [Business Item 2021-5](#).

There was one project development that was not included in the original business item: Balsam Apartments II. The project received all necessary funding required in 2020 to move forward, and also met all PBV award requirements. The award of 4 PBVs to Balsam Apartments II will adjust the total award to eighty-five (85) units, bringing the grand total to 930 PBV units.

### Balsam Apartments II - Dayton

Balsam Apartments II is a proposed 48-unit, new construction building containing 1-, 2-, and 3-bedroom units serving households with incomes between 30% and

60% AMI. The focus of Balsam II will be to meet the housing needs generated by the increase in people moving to the area for jobs, new and expanding employers, proximity to job centers in Minneapolis/St. Paul, and the increasing housing costs that place financial burden on households. Nine units will contain Housing Supports: 4 serving families experiencing long-term homelessness and 5 serving families living with disabilities. Simpson Housing will provide on-site support services. Council staff recommend 4 PBVs for this project, which will serve broader low-income families.

### **Rationale**

Awarding four (4) new PBV units will result in the total commitment to PBVs of 930 vouchers or 13% of Metro HRA's total voucher allocation. The recommended PBV project award will support new affordable housing, will assist in providing increased housing choice for the region's low-income families, and will provide support services promoting housing stability.

### **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**

Balsam Apartments II received tax credits from Minnesota Housing. The City of Dayton leveraged Community Development Block Grant funds to acquire and donate the land for this proposed project.