

Metropolitan Council Housing and Redevelopment Authority (Metro HRA)

Project Based Voucher Program Award Recommendations

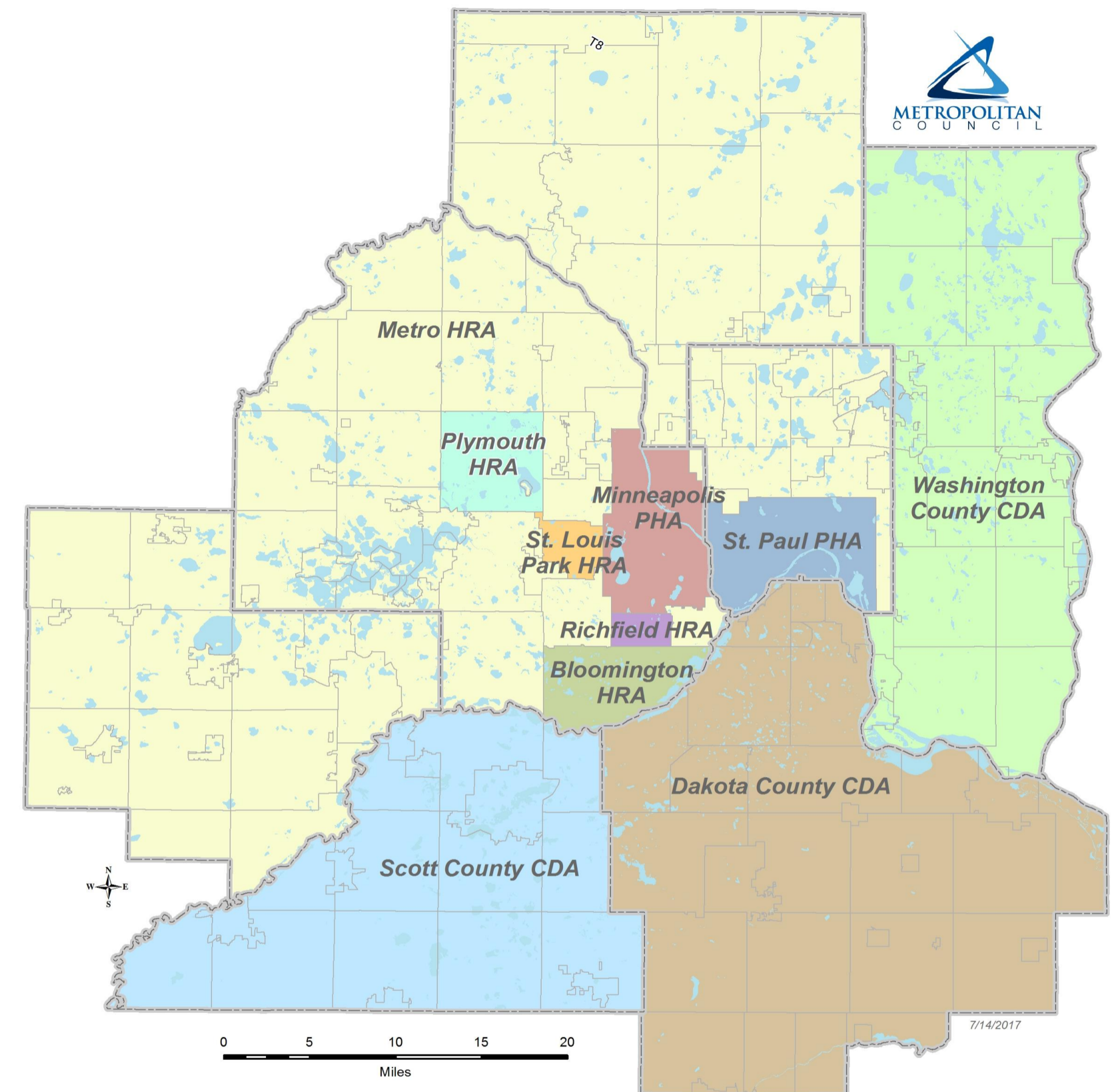
January 4, 2021

Community Development Committee



Metro HRA Voucher Program

- 6,859 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
 - 6,014 Tenant-Based
 - 845 Project-Based (12%)
- Project Based Vouchers
 - 48 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

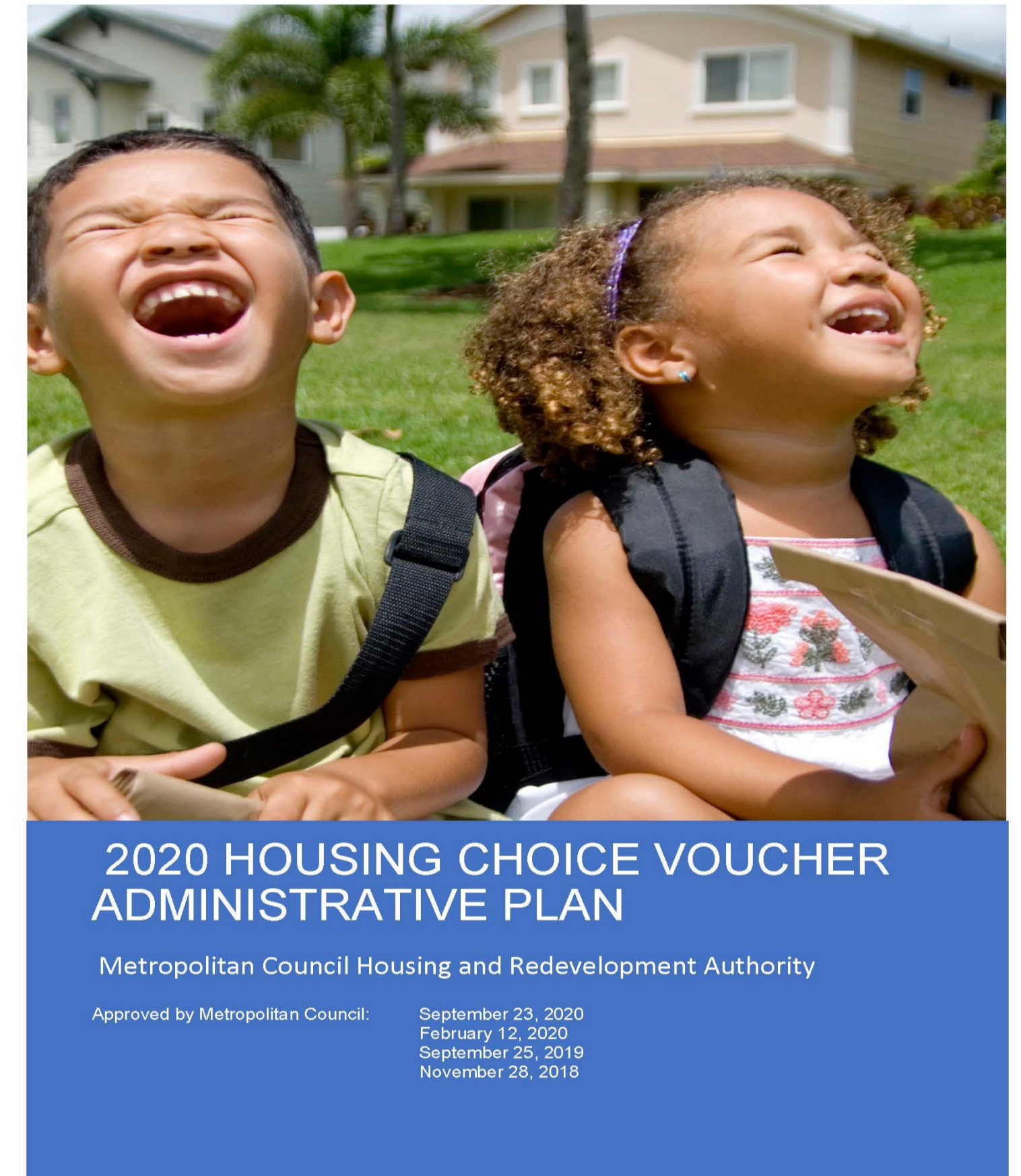
Project Based Voucher Offer and Award

- Metro HRA issued a Request for Proposals to offer and award up to 200 PBVs issued May 21, 2020
- 24 Applications received representing 321 PBV units
- Proposals ranked using the below selection criteria

Selection Criteria Description	Possible Points
Owner experience and capability to build or rehabilitate housing	5
Extent to which the project furthers the goal of deconcentrating poverty and expanding housing and economic opportunities	5
To promote projects located outside of Areas of Concentrated Poverty, unless the project is preserving an existing subsidy to help maintain affordability	15
To increase the supply and availability of affordable housing for very low and extremely low-income households in the metro area and to contribute to the upgrading and long-term viability of metro area housing stock	5
To integrate housing and tenant services for special needs tenants and to promote cooperative partnerships that link support services with affordable housing	20
To encourage economic integration in housing development	10
To the extent possible, encourage the development of housing for larger families needing 3 or more bedrooms	15
Extent to which the proposed project promotes linkages among housing, jobs and transportation and/or promotes higher-density development along selected transportation corridors	15
Extent of community support for the proposed housing	10
Total Points	100

Selection and Ranking

- The RFP outlined additional provisions for coordination with MN Housing's Consolidated RFP
 - *New construction projects will be provided with a Letter of Intent that commits Project-Based Vouchers, contingent on a project receiving the necessary funding in 2020 to become financially feasible.*
- 13 projects representing 196 PBVs received Letters of Intent
 - Prior to MN Housing's Consolidated RFP deadline
 - Preliminary PBV award provided projects with additional funding points
- 6 projects – 81 PBVs units - are being recommended for formal PBV award
 - 4 New Construction projects
 - 2 Existing Housing projects



Project Based Voucher Award Requests

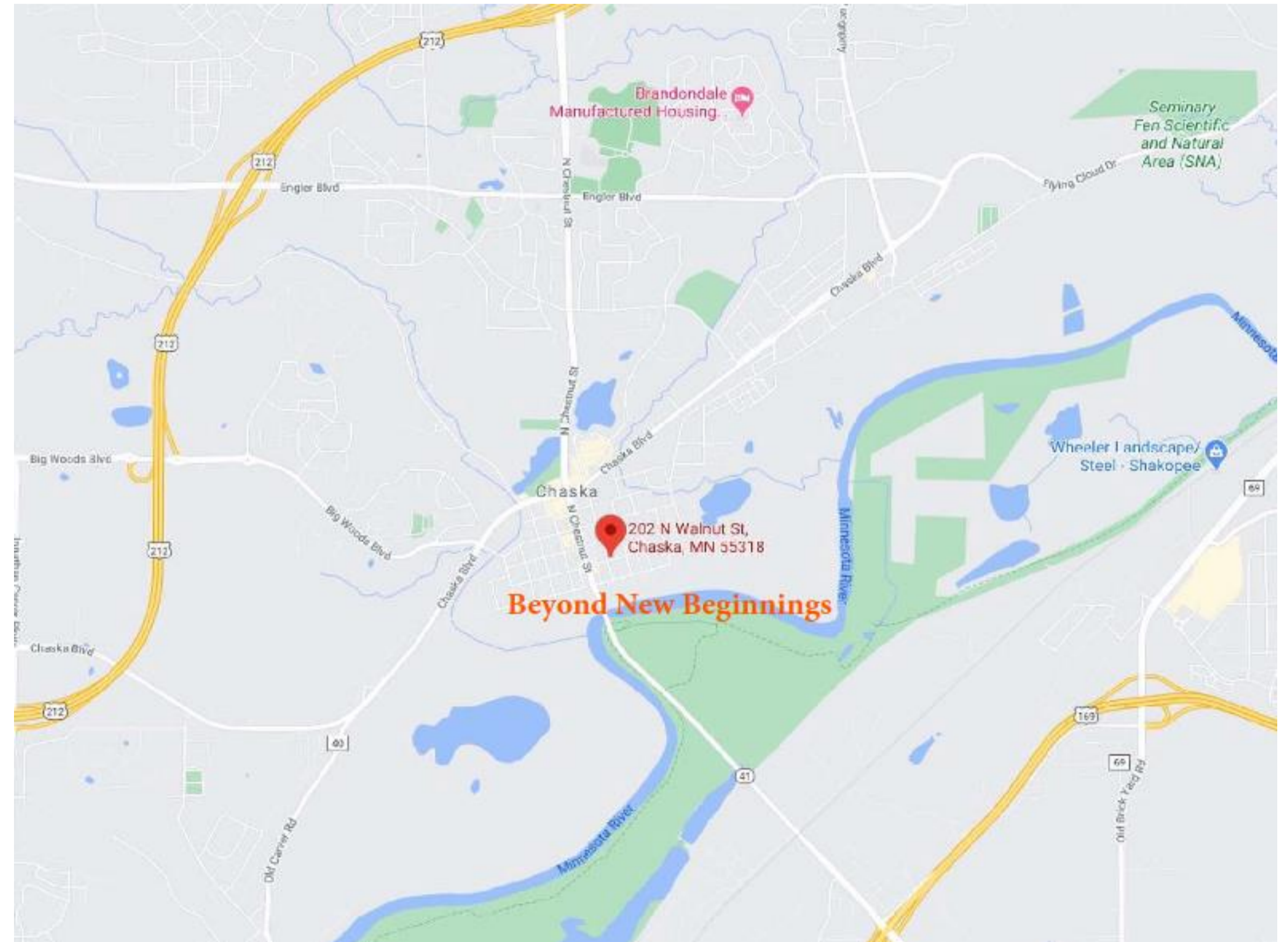
Project	City	Total Units in Project	PBV Award
Beyond New Beginnings	Chaska	4	4
Carver County School District Partnership	Chaska, Norwood Young America, Waconia	Scattered Sites	5
Cranberry Ridge	Plymouth	45	10
Edison II	Roseville	59	4
Trails Edge South	Waconia	60	8
Vista 44	Hopkins	50	50
TOTAL Request			81

Note: *Project outside Metro HRA's standard operating area

- Joint Powers Agreements will be needed

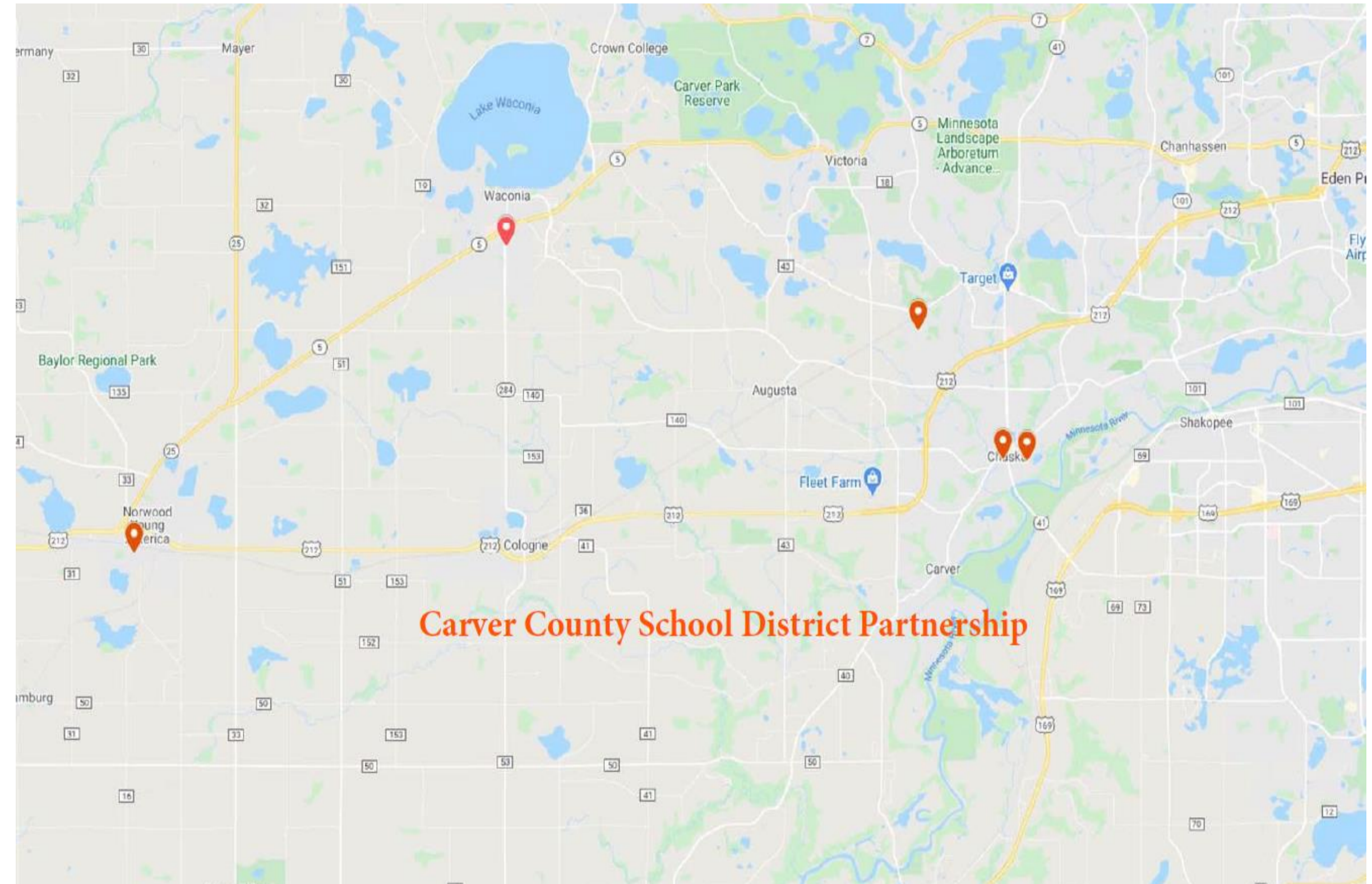
Beyond New Beginnings, Chaska

- Carver County Community Development Agency
- 4 PBV Units – Existing Housing
 - 2-bedroom units
- CDA owns a building that includes the rental units and a retail space that will be converted and used for resident programming
- New beginnings is an academic program for pregnant and parenting teens, under age 21 that have not yet reached high school graduation.
- On-site services will help residents with implementing a parenting plan and acquiring independent living skills



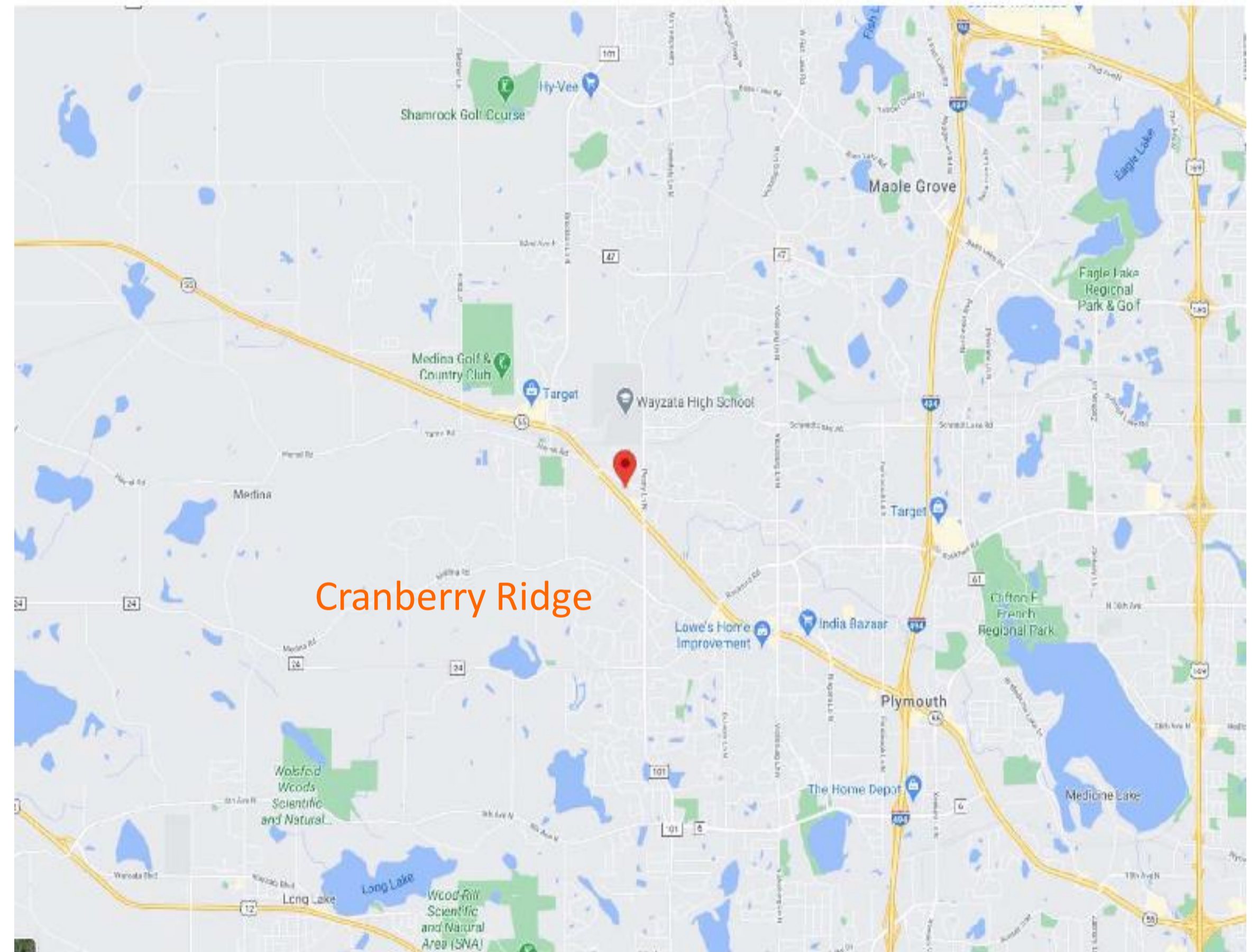
Carver County School District Partnership

- Carver County Community Development Agency
- 5 PBV Units – Existing Housing
 - 2 and 3-bedroom units
 - Located in Chaska, Norwood Young America and Waconia
- CDA has an existing partnership with school districts to provide housing and services for students and families experiencing or at risk of homelessness.
- Project is an expansion of an existing partnership
- CDA is a HUD-certified housing counseling agency and employs a Resident Services Coordinator to provide services and resource connections to stabilize families



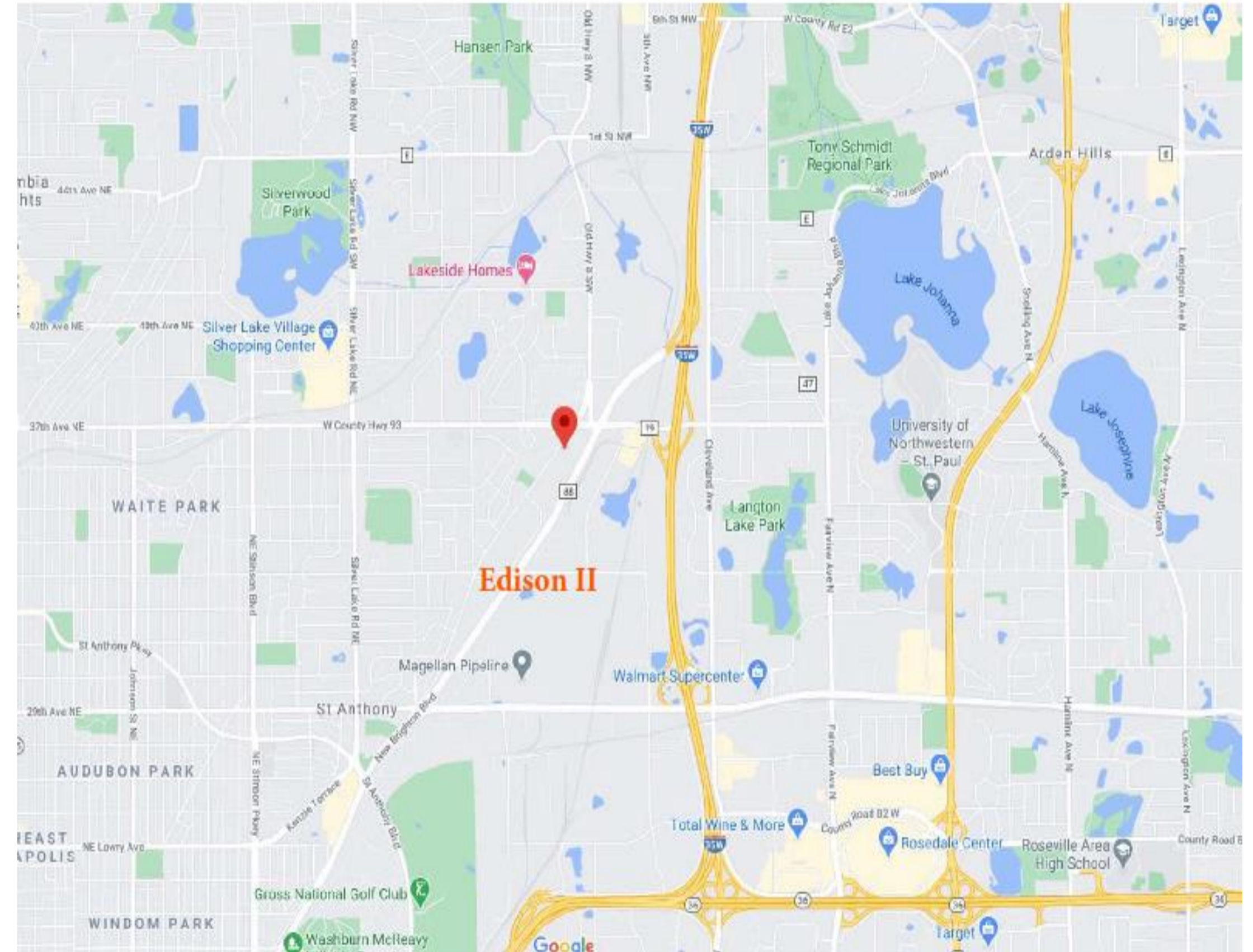
Cranberry Ridge, Plymouth

- Beacon Interfaith Housing Collaborative - New Construction Project
- 45 Units
 - 1, 2, 3 and 4-bedroom units
- 5 PBV units will serve broad low-income households
- Project contains 10 units for households experiencing homelessness and 5 for households living with disabilities
- On-site services and community programming will be provided by Interfaith Outreach & Community Partners.
- Other funding
 - Minnesota Housing tax credits
 - Plymouth HRA award of 10 PBVs



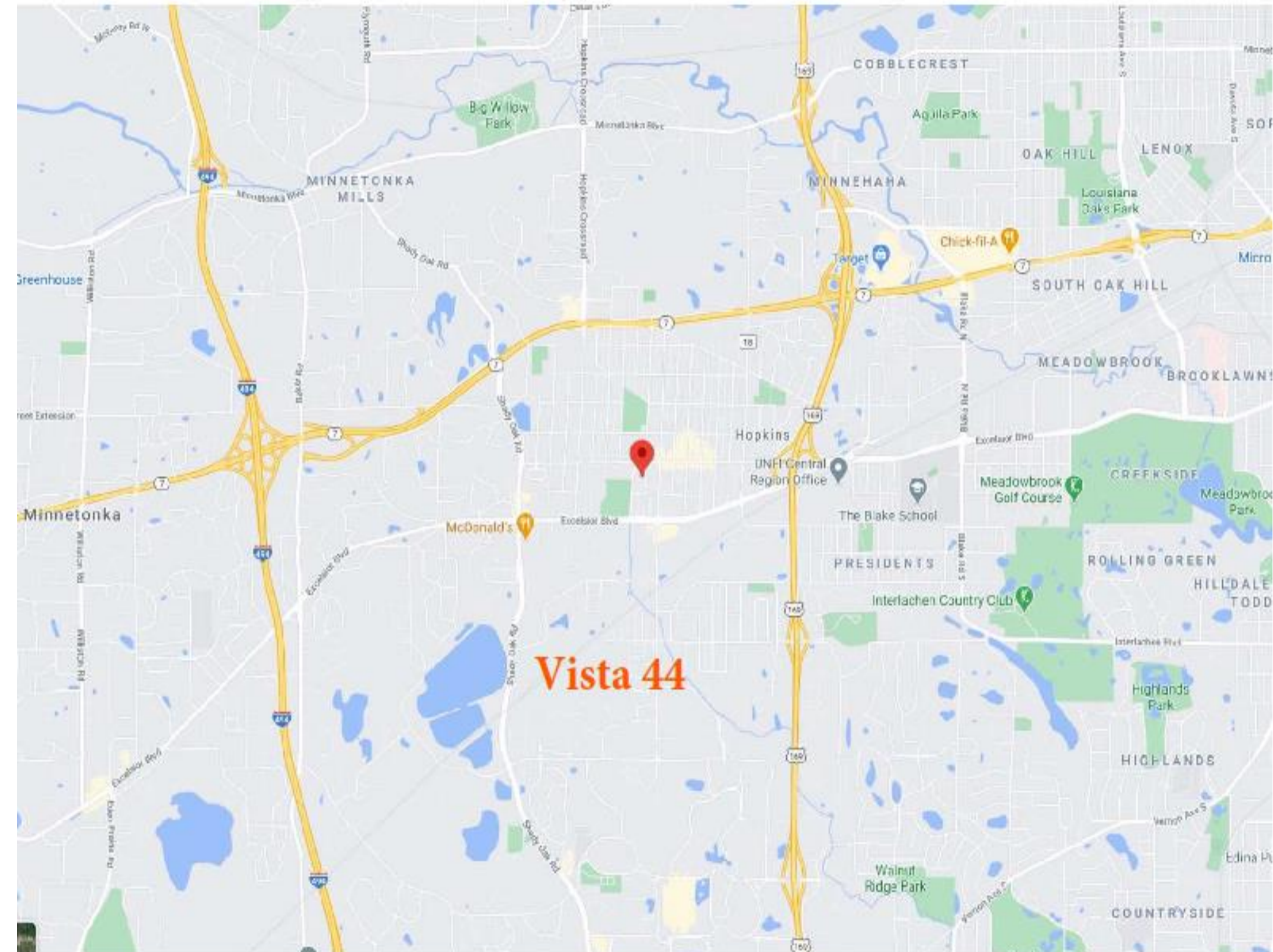
Edison II, Roseville

- Sand Companies - New Construction Project
- 59 Units
 - 1, 2 and 3-bedroom units
- 4 PBV units will serve broad low-income households
- Project goal is to meet the housing needs generated by the increase in people moving to the area for jobs, new and expanding employers, proximity to Minneapolis and St. Paul
- 10 units will contain housing supports for households experiencing homelessness or living with disabilities
- On-site services will be provided by Simpson Housing
- Other funding
 - Minnesota Housing tax credits
 - Edison I received TBRA in 2018 and LCDA in 2017



Vista 44, Hopkins

- Beacon Interfaith Housing Collaborative - New Construction Project
- 50 Units
 - 1, 2 and 3-bedroom units
- 50 PBV supportive housing units
 - 25 will serve people experiencing homelessness
 - 8 will serve people living with disabilities
 - 33 will serve broader populations needing support services
- Volunteers of America will provide intensive on-site services
- Project is intended to be the first step in helping families build pathways to stability and prosperity
- Other funding
 - Minnesota Housing – Housing Infrastructure Bonds
 - \$1.5 Million - LCDA and TBRA



Next Steps

- 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 or immediately for existing housing
 - 20-year contract
- Units inspected to ensure all meet health and safety requirements
- Pay rent on behalf of low-income families



Recommendation

- 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 owners for the following six (6) projects

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