

Community Development Committee

Meeting date: July 6, 2021

For the Metropolitan Council meeting of July 14, 2021

Subject: Bridges Rental Assistance Program – Contract Extension

District(s), Member(s): All

Policy/Legal Reference: Minn. Stat. § 462A

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

Division/Department: Community Development / Metro HRA

Proposed Action

That the Metropolitan Council:

1. Approve a 120-day extension for Contract #19I039 for the Bridges Rental Assistance Program through October 31, 2021.
2. Authorize the Regional Administrator to execute the Contract Amendment with Minnesota Housing.

Background

The Council's Housing and Redevelopment Authority (Metro HRA) has administered the Bridges Rental Assistance Program since 1993. The program provides tenant-based rent assistance for people living with mental illness. The Metro HRA provides the rent subsidy and County mental health divisions provide support services designed to promote independent living success.

Council staff and leadership have been in discussion with Minnesota Housing staff and leadership for several years and in formal dialogue since May 2019 with concerns on the administrative fees for program operation. The fees have not increased since the program inception in the mid-1990s, although staffing costs have greatly increased, and program requirements have become much more intensive with a stronger focus on supportive services. As a result, the program is transitioning to a new provider, Mental Health Resources (MHR), who will be a better fit for the intense service provisions.

The program transition includes transferring the 180 program participants to a new provider. This takes time, and the 120-day extension will allow the necessary period to make a smooth transition. Metro HRA staff are working closely with Minnesota Housing and MHR on resident meetings and transition details.

The initial grant amount of \$3,075,588, was approved by the Metropolitan Council on May 22, 2019, [Business Item 2019-114](#), for the period July 1, 2019, through June 30, 2021. The Contract Amendment(s) for the 120-day extension will increase the grant by \$508,344 and will extend the grant period to October 31, 2021.

Rationale

The contract extension will allow Metro HRA to continue making rent payments while the program is transferred to another provider, ensuring there is no gap in subsidy for the program participants and landlords.

Thrive Lens Analysis

Transitioning the Bridges program to a new provider will further the Thrive outcomes of stewardship and equity through the efficient delivery of rent assistance to people living with mental illness.

Funding

Minnesota Housing will provide an additional \$508,344 to fund the transition period of July 1, 2021, through October 31, 2021. A future budget amendment will reflect this change, after the revised agreements are fully executed.

Known Support / Opposition

There is support from Anoka, Hennepin, and Ramsey Counties and Minnesota Housing for the program transition.