

## Community Development Committee

Meeting date: June 7, 2021

**Subject:** Project Based Voucher Program Offer and Award Discussion Continued

**District(s), Member(s):** All

**Policy/Legal Reference:** 24 CFR Part 983

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

**Division/Department:** Community Development/ HRA

### Proposed Action

None. Information only with opportunity for community input.

### Background

The Council's Housing and Redevelopment Authority (Metro HRA) administers 6,872 Housing Choice Vouchers (HCV). 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 Project Based Vouchers (PBVs). The Metropolitan Council approved, as part of the Administrative Plan (Section 17-II.B, project basing *up to 20%* of vouchers as PBVs, [Metro HRA Housing Choice Voucher Administrative Plan](#)). Generally, the Administrative Plan sets the overall policy guidance (*up to 20%* PBVs) while staff puts the policy into operations, with Council Member input.

Staff considers many variables when determining whether or not to offer PBVs in a given year. These include overall voucher utilization, current voucher turnover rates, funding and budget, and balancing PBV and waiting list admissions. The Metro HRA does not get any extra vouchers or a separate pool of funding from HUD for attaching to PBVs. Rather, the PBVs come from a very limited pool of turnover vouchers from the standard Housing Choice Voucher program.

The Metro HRA has awarded 970 PBV units (13% of total vouchers) in 55 separate projects to date located throughout Anoka, Carver, Hennepin, Ramsey, and Washington Counties. There are:

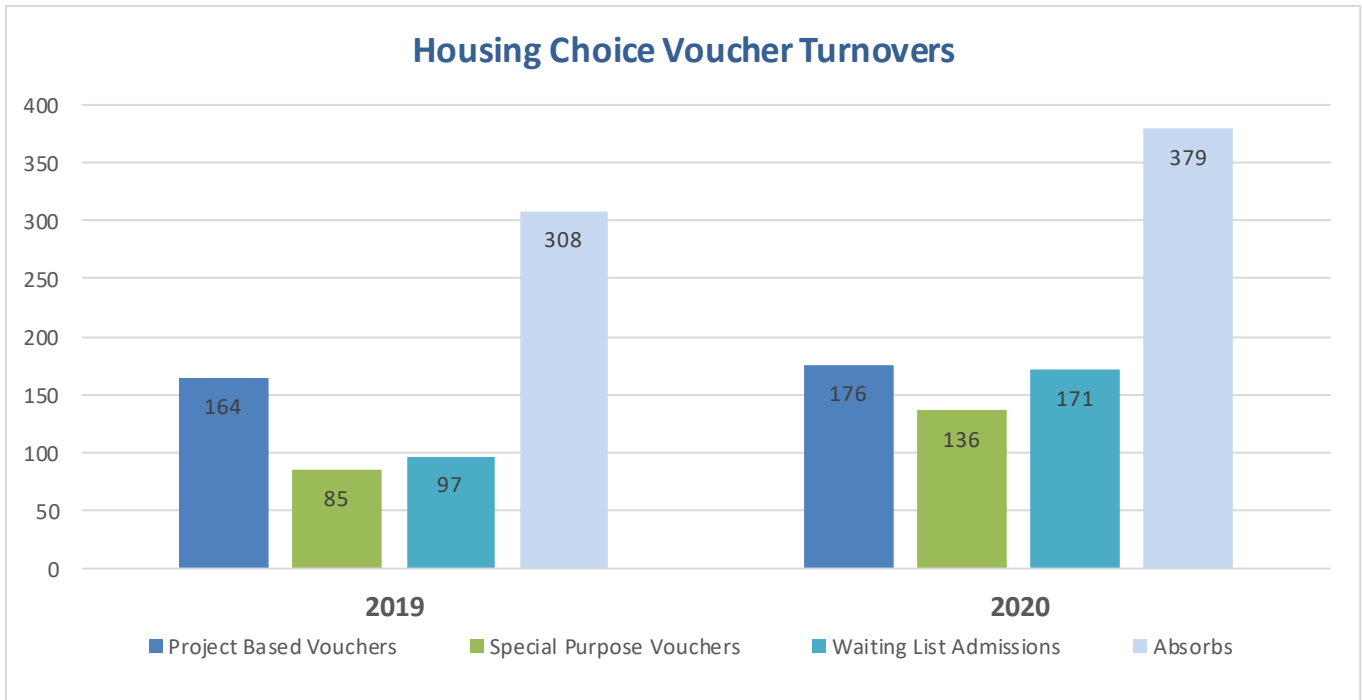
- 37 developments (363 units) that have supportive service components assisting specialized populations such as people experiencing homelessness or people living with disabilities.
  - These units are filled through the Coordinated Entry System or through direct referrals from service providers. Applicants for these units do not come from the Metro HRA HCV waiting list.
- 18 developments (608 units) that serve general populations (low-income households with no additional services).
  - These units are filled from the broader HCV waiting list.
  - 296 general occupancy units (166 senior and 130 preservation) have very little turnover.
  - 150 are Council-owned housing units that have a separate waiting list so are not filled from the HCV general waiting list.

On average, the Metro HRA has approximately 750 vouchers turnover each year (62 per month). Balancing the use of the limited turnover vouchers is incredibly difficult. These vouchers need to serve the following groups:

1. **Waiting list applicants.** The Metro HRA last opened its waiting list in 2019, received 17,400 application requests in one week, and randomly placed 2,000 applicants on the list. Two years later, 1,900 applicants remain on the waiting list. Although Table 1 below shows waiting list admissions from 2019 and 2020, these were applicants from the prior waiting list.
2. **PBV unit movers and Initially filling PBV buildings.**
  - After living in a PBV unit for one year, the tenant has the option of taking a tenant-based voucher to move to another home. Per federal regulation, PBV movers are issued vouchers before waiting list applicants.
  - If, for example, a 50-unit PBV building comes “online,” Metro HRA needs to use 50 turnover vouchers to lease up the building.
    - There are 105 units (3 projects from 2019 and 7 from 2020) in the pipeline that are either under construction or newly awarded PBVs that will require turnover vouchers upon filling.
  - Table 1 below shows overall PBV lease ups (movers and initial building lease up) as they are not tracked separately.
3. **Special Purpose Vouchers.** Special purpose (Housing Choice) vouchers are awarded to serve specific, targeted populations, are generally filled through direct referral and are included in the Special Purpose Vouchers in Table 1, unless otherwise noted below.
  - Mainstream Vouchers – Serve non-elderly persons with disabilities experiencing homelessness or at risk of homelessness. Admissions are made through referrals from the Metro Transit Homeless Action Team or through direct referrals from County partners.
  - Veterans Affairs Supportive Housing Vouchers – Serve veterans experiencing homelessness. Admissions are made through referrals from the U.S. Department of Veteran’s Affairs.
  - Family Unification Program Vouchers - Serve families for whom the lack of adequate housing is a primary factor in the separation of children from their families. Referrals are received from the Public Child Welfare Agency.
  - Non-Elderly Disabled Vouchers – Provide rental assistance to persons with disabilities selected from the general waiting list. Admissions are included in the Waiting List Admissions below.
4. **Absorbing vouchers from other housing authorities.** Once a family has a voucher, they can move from place-to-place, including to another housing authority’s service area. When a voucher holder arrives from another housing authority, the Metro HRA can choose to bill the initial housing authority or “absorb” the voucher into its own program. Billing is administratively burdensome. Absorbing requires vouchers from the Metro HRA’s pool of turnover Housing Choice Vouchers.

Table 1 below includes data on how voucher turnover slots were filled in 2019 and 2020.

Table 1: Housing Choice Voucher Turnovers



The Metro HRA offered up to 200 PBVs through an RFP issued in May 2020. See Appendix 1 for the full list of applicants and proposed projects. The formal actions can be found at [Initial PBV Award Item \(Business Item 2021-5\)](#) and [Amended PBV Award Item \(Business Item 2021-32\)](#). In total:

- 23 applicants requested a total of 321 PBV units
- 13 applicants received Letters of Intent for a total of 196 PBV units
- 7 applicants received formal awards for a total of 85 PBV units

The RFP required developers to obtain full financing in 2020 in order to be eligible for a formal award.

The Metro HRA staff presented a [PBV Information Item](#) to the Community Development Committee on March 1, 2021. The goal of the presentation was to receive direction from CDC members on the staff recommendation to forgo offering PBVs, at least for 2021, to focus on waiting list admissions and other work plan items. This information item is to open discussion again with the opportunity for community input. Feedback from this discussion will inform potential changes in the *Housing Choice Voucher Administrative Plan*.

## Appendix 1

Table 2: Metro HRA Project Based Voucher – Selected Projects

Project Name	City	Developer	Construction Type	Number of Units	Number of requested PBV units	Total points	Total PBVs Awarded
Cranberry Ridge	Plymouth	Beacon Interfaith	New Construction	45	10	93	10
Prairie Pointe Apartments*	Shakopee	Beacon Interfaith	New Construction	42	42	90	0
Vista 44	Hopkins	Beacon Interfaith	New Construction	50	50	90	50
Union Park Flats*	St. Louis Park	Project for Pride in Living	Renovation of existing church building	60	6	90	0
The Rise on 7*	St. Louis Park	CommonBond Communities	Existing Housing	120	19	85	0
Settlers Ridge Apartments*	Woodbury	CommonBond Communities	New Construction	84	21	85	0
Sandgrass Pointe*	Crystal	Woda Cooper Development	New Construction	53	15	85	0
Beyond New Beginnings	Chaska	Carver County CDA	Existing Housing	4	4	85	4
Trail's Edge South	Waconia	Carver County CDA	New Construction	60	8	85	8
Balsam Apts II	Dayton	Sand Companies	New Construction	48	4	83	4
School District Partnership	Scattered	Carver County CDA	Existing Housing	5	5	83	5
Edison II	Roseville	Sand Companies	New Construction	59	4	83	4
Caver Place*	Carver	Carver County CDA	New Construction	60	8	80	0
<b>Total number PBVs from Metro HRA</b>				<b>Preliminary</b>	<b>196</b>	<b>Final</b>	<b>85</b>

\* Offered preliminary PBV Letter of Intent but were not selected by MHFA and did not receive full funding.

Table 3: Projects that were not Selected

Project Name	City	Developer	Construction Type	Number of Units	Number of requested PBV units	Total points
Bottineau Ridge Phase II	Maple Grove	Duffy Development Company	Existing	50	7	75
Bottineau Ridge Phase III	Maple Grove	Duffy Development Company	Existing	50	4	75
Bethesda Cornerstone Village	Brooklyn Park	Bethesda Cornerstone Village	New Construction	130	17	75
Rogers Main Street Senior Housing	Rogers	Duffy Development Company	New Construction	40	10	75
Anoka TOD Apartments	Anoka	Duffy Development Company	New Construction	50	12	73
Minnetonka Heights	Minnetonka	Heartland Heights LP	Existing Housing	172	11	70
Carver County's Trails Edge Senior	Waconia	Carver County CDA	New Construction	60	12	65
CDA Senior Housing	Chanhassen, Waconia, NYA	Carver County CDA	Existing Housing	183	24	60
Carver Oaks Senior Residence	Carver	Carver County CDA	New Construction	43	8	45
Upper Post Flats	Unorganized Territory of Fort Snelling	Dominium	New Construction	191	20	43
<b>Number of PBVs requested but not selected</b>					<b>125</b>	
<b>Total number PBVs requested</b>					<b>321</b>	