

Metropolitan Council Housing and Redevelopment Authority (Metro HRA)

Project Based Voucher Program Offer and Award Discussion

March 1, 2021

Community Development Committee

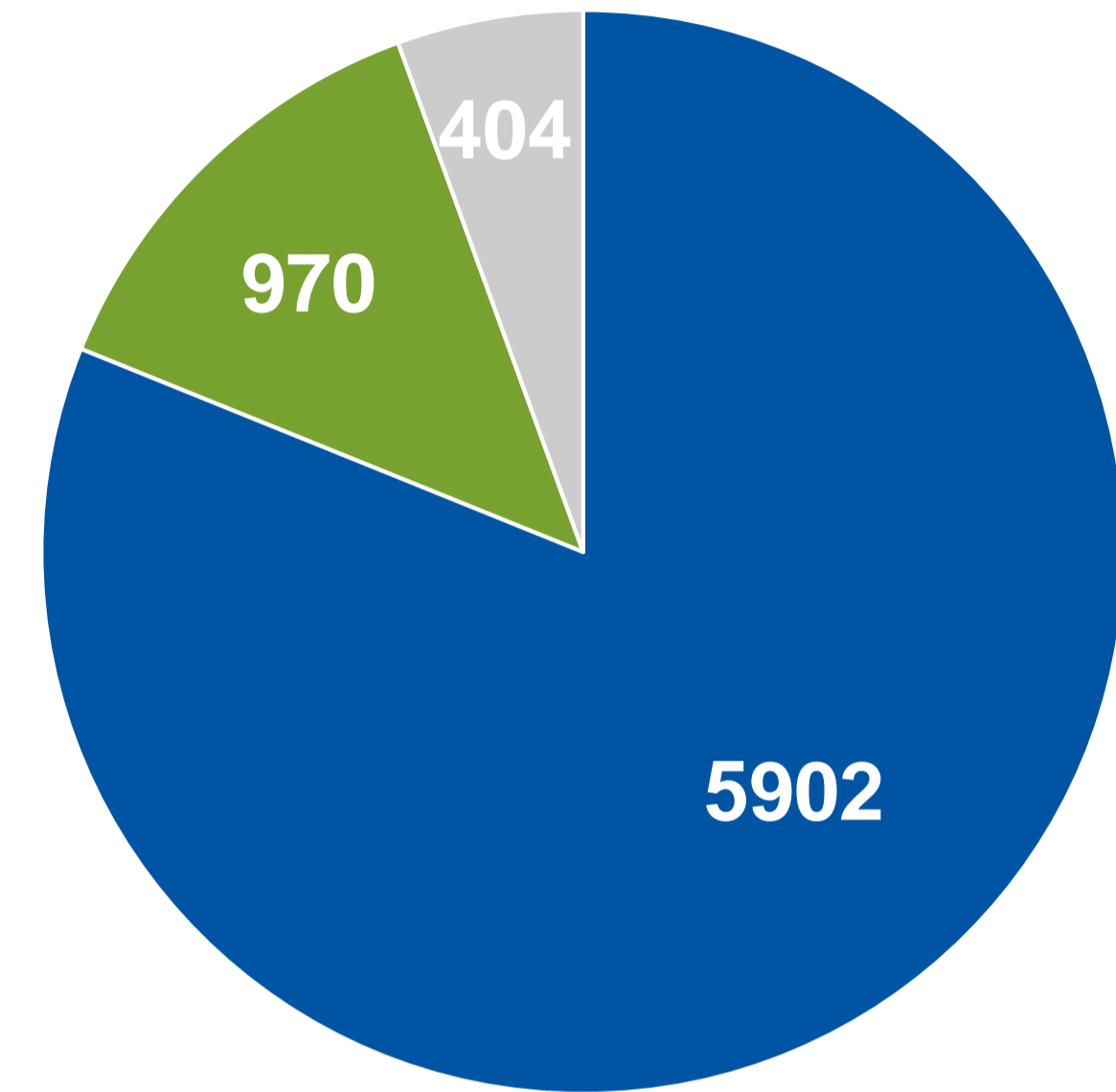
Presented by Terri Smith, Director, HRA



Metro HRA Voucher Program

- 6,872 federal Housing Choice Vouchers (Section 8)
- U.S. Department of Housing and Urban Development allows discretion to project-base up to 20% of vouchers
- Current Council approval = up to 20% of vouchers
- Awarded PBVs in 55 Projects in 33 Communities
 - 37 have supportive service components
 - 18 are general occupancy

Current Voucher Split



- Housing Choice Vouchers
- Project Based Vouchers
- Remaining Project Based Vouchers

Housing Choice Voucher vs. Project Based Voucher

| Tenant-Based Vouchers | Project-Based Vouchers |
|---|--|
| Tied to the tenant | Tied to the unit |
| Tenant has locational choice Tenant can move to any city or state with a voucher program | Locational choice is limited Tenant eligible for a Housing Choice Voucher after 1 year (if a voucher is available) |
| 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 | General occupancy units filled with waiting list Supportive units filled through Coordinated Entry or referral from service providers |
| Concentration of voucher holders in lower rent areas of the region | Ensure permanent affordable housing units are placed in additional neighborhoods |
| Less administratively burdensome | Can be used as a tool for affordable housing developers to compete for other public financing |

PBV Offer and Award Process – 3 Options

PBVs have historically been offered through Minnesota Housing's consolidated RFP

- Owners / developers apply for PBVs while also applying for other public funding
- Proposals ranked high enough by Minnesota Housing then forwarded to Metro HRA for ranking
- Historically Offered PBVs in this manner

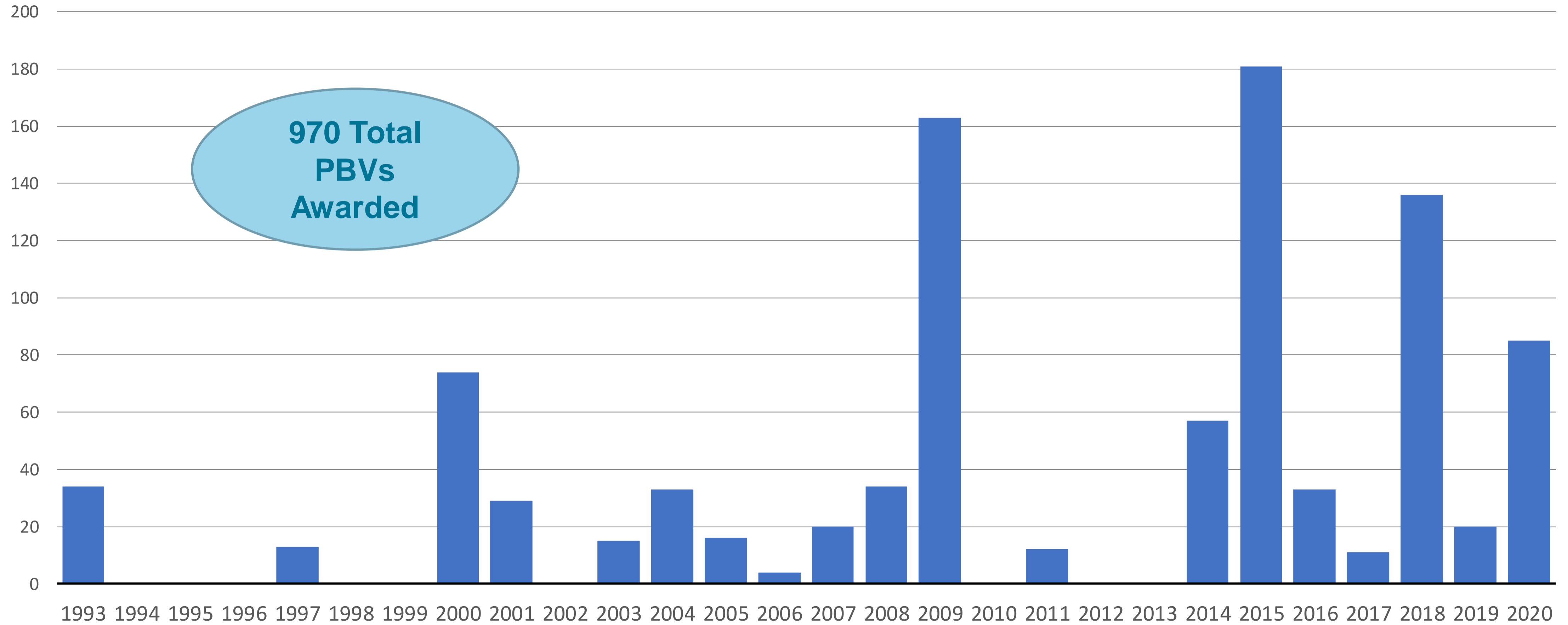
PBVs can be offered and awarded through another competitive process

- Issue an RFP independently of MN Housing's Consolidated RFP process
- 2020 Metro HRA issued an RFP
- Offered up to 200 PBVs
- 85 PBVs awarded to projects that received full funding in 2020

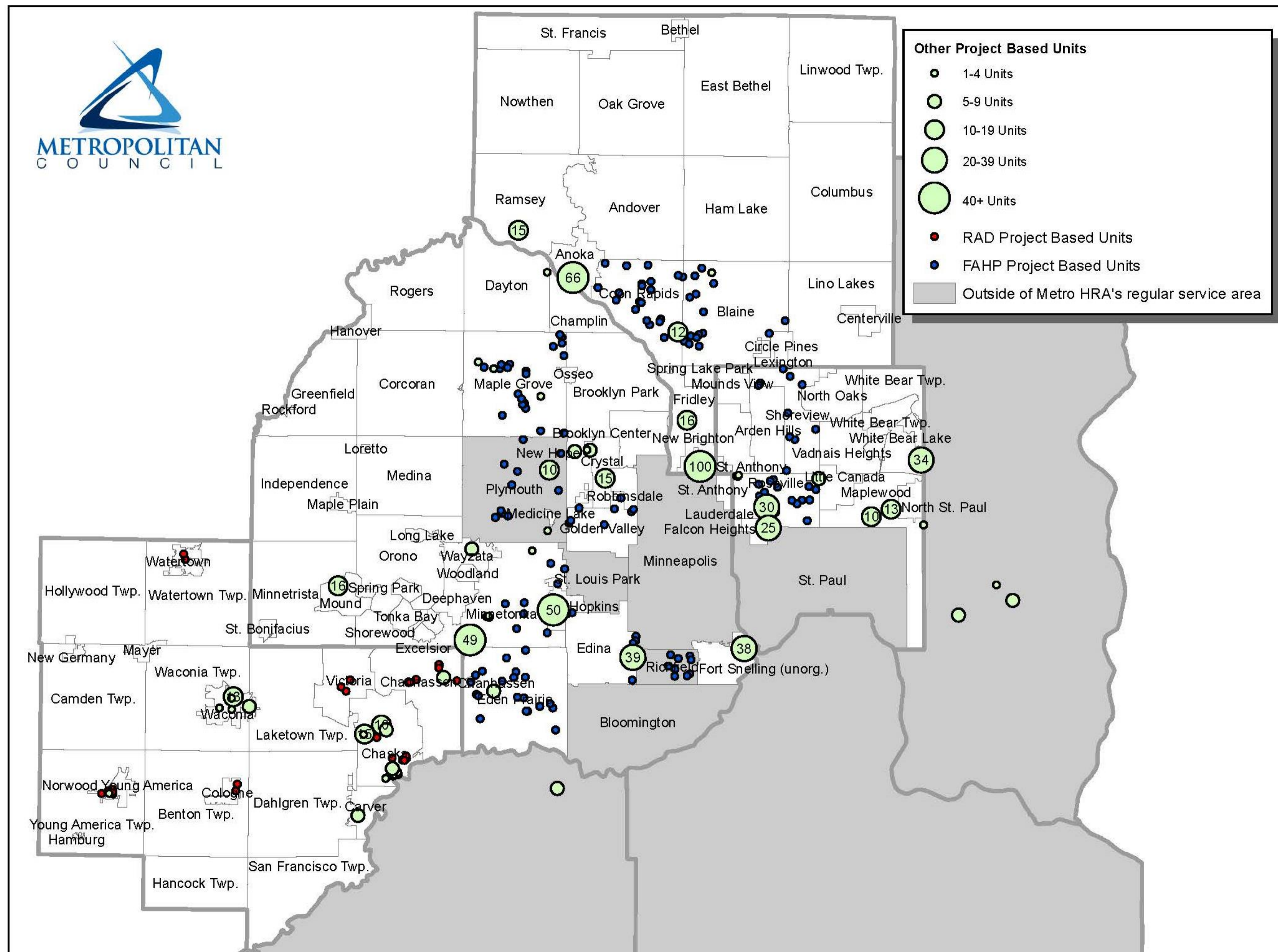
PBVs can be awarded directly to projects that were selected based on a previous competitive process

- Examples could be award PBVs to projects that were previously awarded tax credits, Housing Infrastructure Bonds, HOME funds
- Would need to develop criteria as to when the Council would do this
- Volume would be overwhelming

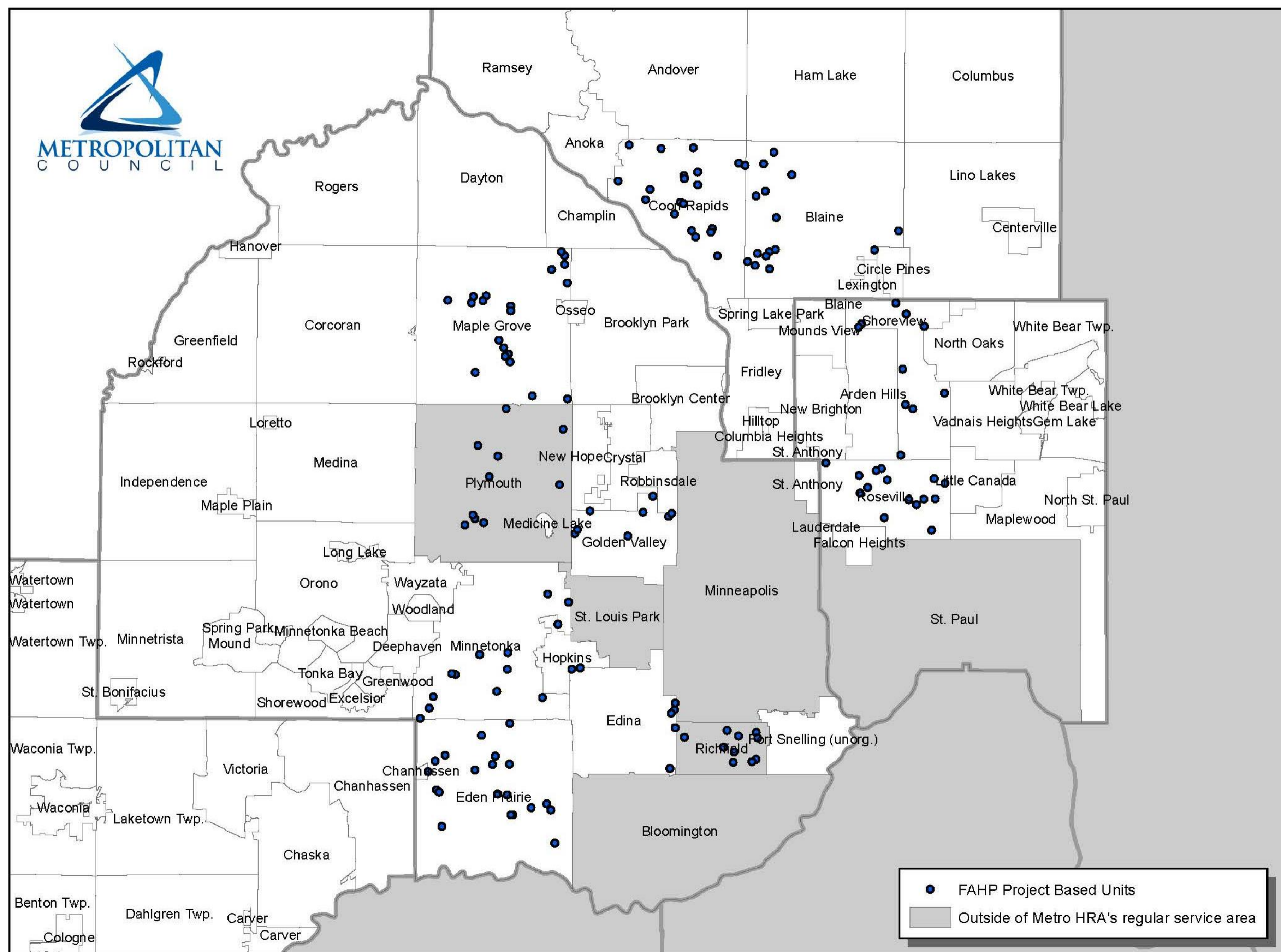
PBV Offer and Award History since 1993



Distribution of All Project Based Vouchers

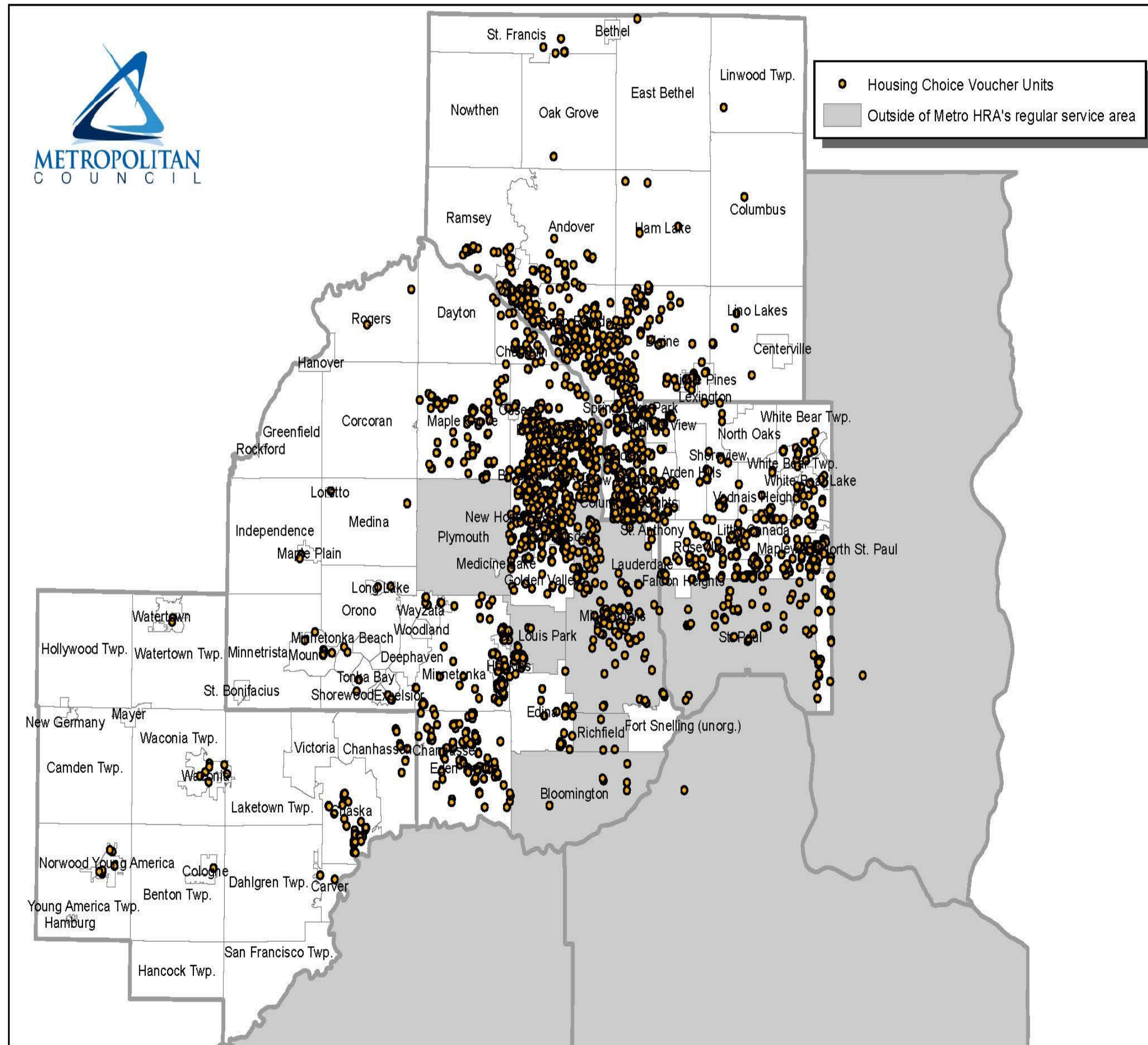


Closer look at 150 Council Owned Family Affordable Housing Program (FAHP) units

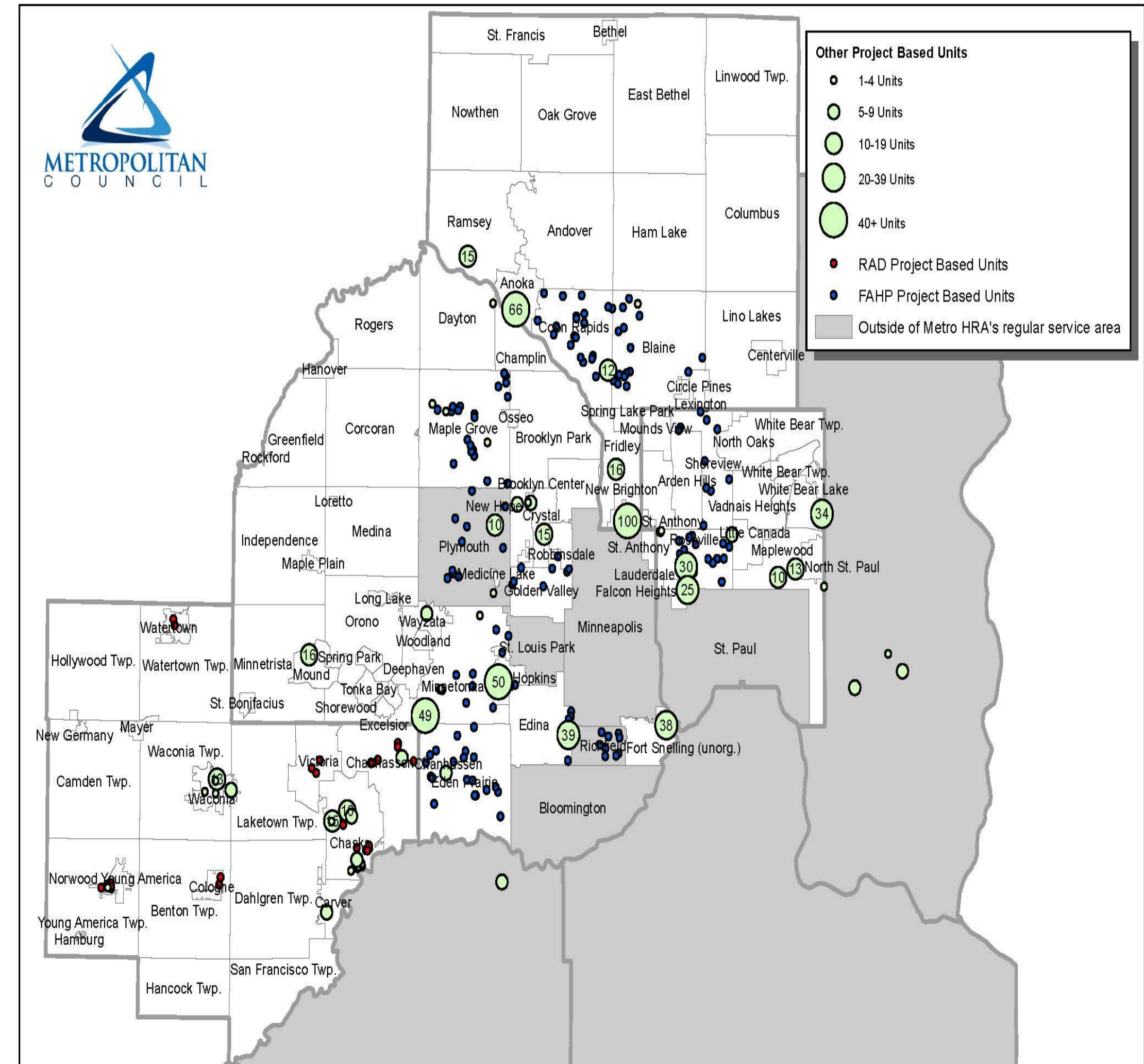


Tenant Based vs. Project Based Voucher Locations

Metro HRA Housing Choice Voucher Units
February 2021

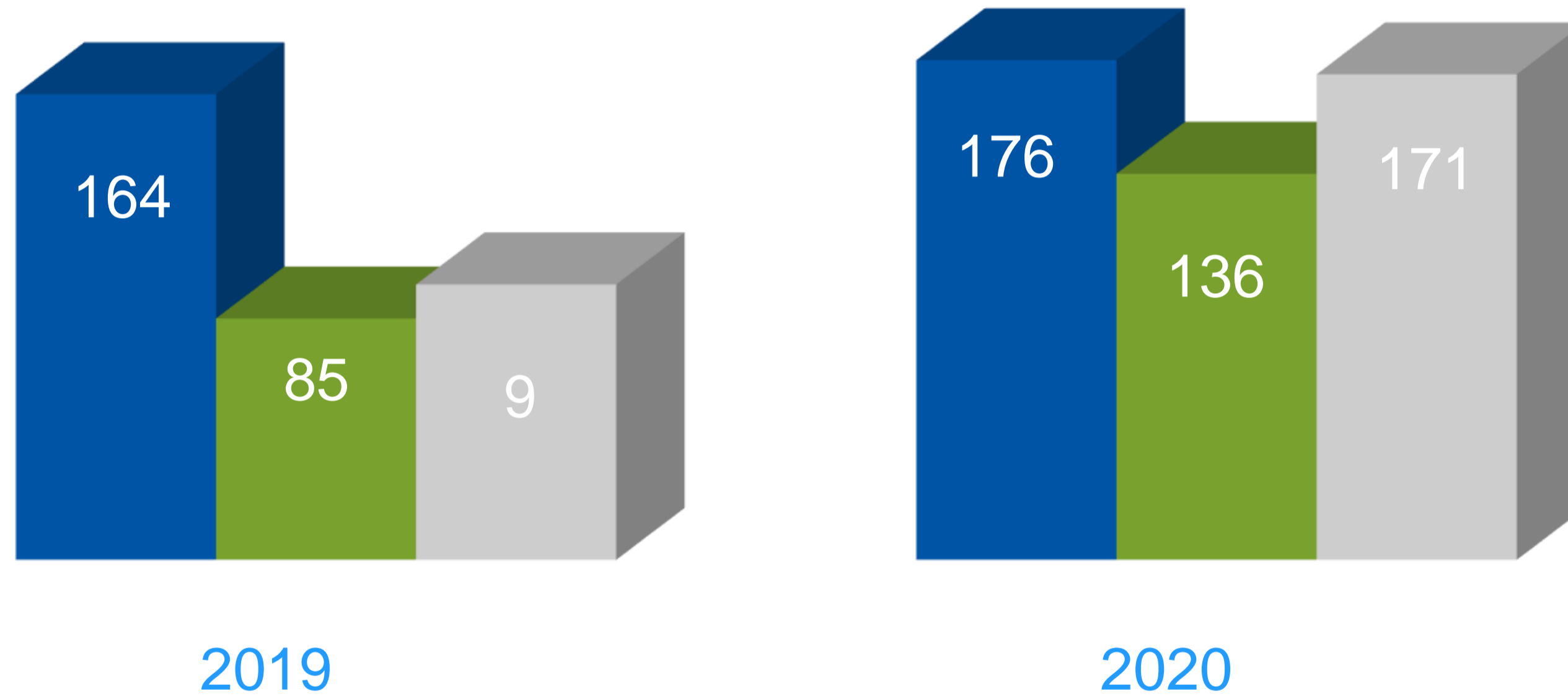


Metro HRA Project Based Units
February 2021



Tenant Based vs. Project Based Admissions

All New Admissions



Special Purpose Vouchers

- Mainstream
- Family Unification
- Veteran Vouchers

■ Project Based Vouchers ■ Housing Choice Vouchers ■ Special Purpose Vouchers

Project Based Voucher Offer and Award Considerations

Offer PBVs

- Tool for developers to obtain funding points for other public financing
- May help get a project off the ground that may not otherwise make it
- Gets permanent units in good locations
- Council can influence policy preferences for placement

Do Not Offer PBVs

- Balance waiting list admissions vs. non-waiting list admissions
- Administrative burdensome to offer, award and bring online
- PBVs carry a tail . . . after living in a PBV unit for 1 year, households can request a tenant-based voucher to move
- Would allow a year of waiting list admissions

Questions and Discussion

- How often should the Council's HRA offer Project Based Vouchers?
 - Every year
 - Every other year
 - Every third year
- How should PBVs be offered?
 - Through MN Housing's RFP
 - In advance of MN Housing's RFP
 - Award to projects that have already been selected for public funding based on a previous competition

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