Project Based Voucher Program
2022 Offer

Metropolitan Council Housing and Redevelopment Authority (Metro HRA)

February 22, 2022
Presented by Terri Smith, Director, Metro HRA
Metro HRA Summary

- 7,000 program participants
- 8 Programs
- Anoka and Carver County, Suburban Hennepin and Ramsey County
  - 96 communities
- $76 million annually in rent payments
  - 1,800 active landlords
PBV Summary

- 6,894 Vouchers
- HUD allows up to 20% PBV
- 970 PBV units awarded (14%)
- 55 Developments
- 33 Communities

Current Voucher Split

- Housing Choice Vouchers
- Project Based Vouchers
- Remaining available to Project Base
Voucher Overview

- 6,894 Housing Choice Vouchers
- HUD allows discretion to project-base up to 20%

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Populations Served</th>
<th># Vouchers</th>
<th># Vouchers in Use</th>
<th>PBV Option?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Housing Vouchers</td>
<td>Homeless or fleeing domestic violence</td>
<td>218</td>
<td>29</td>
<td>No</td>
</tr>
<tr>
<td>Mainstream Vouchers</td>
<td>Homeless or transitioning out of institution</td>
<td>203</td>
<td>186</td>
<td>Yes</td>
</tr>
<tr>
<td>Veteran’s Affairs Supportive Housing</td>
<td>Homeless veterans</td>
<td>170</td>
<td>142</td>
<td>Yes</td>
</tr>
<tr>
<td>Family Unification Program</td>
<td>Families with child protection involvement</td>
<td>46</td>
<td>46</td>
<td>Yes</td>
</tr>
<tr>
<td>Non-Elderly Disabled</td>
<td>Disabled ages 18-61</td>
<td>200</td>
<td>186</td>
<td>No</td>
</tr>
</tbody>
</table>
Distribution of current Project Based Vouchers
2009, 2015, and 2018 were anomaly years where PBVs were awarded through direct HUD award of new vouchers
<table>
<thead>
<tr>
<th>HRA/PHA Name</th>
<th>Number HCVs</th>
<th>Number PBVs</th>
<th>% PBV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minneapolis</td>
<td>6000</td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td>St. Paul PHA</td>
<td>4929</td>
<td>805</td>
<td>16%</td>
</tr>
<tr>
<td>St. Louis Park HRA</td>
<td>343</td>
<td>54</td>
<td>16%</td>
</tr>
<tr>
<td>Plymouth HRA</td>
<td>230</td>
<td>34</td>
<td>15%</td>
</tr>
<tr>
<td>Metro HRA</td>
<td>6961</td>
<td>970</td>
<td>14%</td>
</tr>
<tr>
<td>Scott County CDA</td>
<td>404</td>
<td>53</td>
<td>13%</td>
</tr>
<tr>
<td>Bloomington HRA</td>
<td>551</td>
<td>36</td>
<td>7%</td>
</tr>
<tr>
<td>Washington County CDA</td>
<td>237</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Richfield HRA</td>
<td>232</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>
Project Based Voucher Considerations

- HUD does not provide new vouchers for project basing
- PBVs come from a limited supply of turnover vouchers that serve many purposes
- Waiting list applicants
- Initially filling PBV units
- PBV unit movers
- Absorbing vouchers from other housing authorities

Voucher Turnover History

<table>
<thead>
<tr>
<th>Year</th>
<th>Monthly Voucher Turnover</th>
<th>Annual Voucher Turnover</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>65</td>
<td>780</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>56</td>
<td>672</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>53</td>
<td>636</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>36</td>
<td>432</td>
<td>354 Voucher turnover reduction in 3 years</td>
</tr>
</tbody>
</table>
Metro HRA will:

• Operate a PBV program using **up to 20 percent** of vouchers

• Offer and award PBVs in the following ways:
  o Independent Request for Proposals (RFP) process
  o Offer through Minnesota Housing RFP process

• Prioritize PBVs in its own operating area

Option not utilized to date:

Award PBVs to projects that were previously selected based on a competition (on back end)
Conditions of PBV Program:

- The Metro HRA will take no action on PBV requests until MN Housing has made its funding awards.

- If MN Housing does not approve the other financing requested to make the project financially feasible, the Metro HRA will not consider the request for PBVs and a developer will need to reapply for PBVs at a later date when PBVs are offered.

- If an owner submits an application for PBVs as existing housing and they do not need any additional financing, the Metro HRA will consider that request also after MN Housing has made its funding awards.
## PBV Selection Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Possible Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Readiness</td>
<td>15</td>
</tr>
<tr>
<td>Extent to which the project provides or preserves housing types that contribute to a full range of affordable housing choices</td>
<td>20</td>
</tr>
<tr>
<td>The extent to which the project integrates housing and tenant services for specialized populations</td>
<td>25</td>
</tr>
<tr>
<td>The extent to which the project supports mixed income</td>
<td>5</td>
</tr>
<tr>
<td>The extent to which the project supports housing for larger families needing 3 or more bedrooms</td>
<td>10</td>
</tr>
<tr>
<td>Extent to which the proposed project maximizes connections between housing, centers of employment, education, retail and recreation</td>
<td>15</td>
</tr>
<tr>
<td>The extent of local support for the proposed housing</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total Points</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Project Based Voucher Policy

Staff consider many variables when determining PBV offer

- Overall voucher utilization
- Current voucher turnover rates
- Funding and budget
- Balancing PBV and waiting list admissions

PBVs Require Staffing Capacity

- Issue RFP
- Review applications
- Formal award
- Environmental Review
- Davis Bacon Wage Reviews
- Subsidy Layering Reviews
- Building lease-up
- Filling turnover units
Developer Listening Session

• Listening Session held on February 9, 2022
• Agenda:
  • Overview and history of the Housing Choice and Project Based Voucher programs
  • PBV offer and award policy
  • PBV offer and award consideration
  • Q & A
  • Next Steps
# Listening Session Comments

<table>
<thead>
<tr>
<th>General Comments / Questions</th>
<th>Areas of Concern</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preference for continuing to offer PBVs in advance of MN Housing RFP</td>
<td>Concern expressed about how to serve the lowest income levels without PBVs</td>
</tr>
<tr>
<td>Comment(s) about landlord acceptance of vouchers</td>
<td>Concern expressed about developments outside of Metro HRA’s service area</td>
</tr>
<tr>
<td>Why not prioritize PBVs to 20% now?</td>
<td>Request understanding of why Minneapolis can have an open pipeline for PBVs</td>
</tr>
<tr>
<td>Recognition of the limited resources and competing demands of vouchers</td>
<td>Discussions should occur with local communities to encourage developers to pursue PBVs</td>
</tr>
<tr>
<td>Does the Council prioritize PBVs for communities with the greatest need?</td>
<td>How to deepen the partnership on how to prioritize 30% AMI developments</td>
</tr>
<tr>
<td>Maybe MN Housing should look at removing points for PBVs in their process?</td>
<td></td>
</tr>
</tbody>
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*METROPOLITAN COUNCIL*
PBV Decision for 2022

- Offer 20 Veteran’s Affairs Supportive Housing (VASH) Project Based Vouchers
  - Serve veterans experiencing homelessness
  - Referrals provided through the Minneapolis Dept. of Veteran’s Affairs
  - Offer through independent RFP issued prior to MN Housing RFP
Next Steps

Hold PBV Listening Session and discuss at Housing Work Group

End February

Metro HRA issues RFP for PBVs

April

Metro HRA makes contingent PBV awards

June

MN Housing announces funding awards

December / January

February 9 & 10

Present to CDC and communicate PBV offer and award decision

March

Metro HRA PBV Applications due and MN Housing Issues RFP

May

MN Housing Applications Due

November / December

Metro HRA formally awards PBVs

Public Housing Agency Plan process occurs concurrently – public hearing in August 2022
Questions?

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