

Information Item

Community Development Committee



Meeting Date: June 5, 2023

Topic

Metropolitan Housing Opportunities Program Unit Transfer from Minneapolis Public Housing Authority to the Metropolitan Housing and Redevelopment Authority

District(s), Member(s):	All
Policy/Legal Reference:	U.S. Department of Housing and Urban Development Notices PIH 2014-24 and PIH 2019-05 Statute or policy
Staff Prepared/Presented:	Terri Smith, Director, Metropolitan Housing and Redevelopment Authority (Metro HRA), (651) 602-1187
Division/Department:	Community Development / HRA

Background

The Metropolitan Housing Opportunities Program (MHOP) was established by the Minneapolis Public Housing Authority (MPHA) in 1998 as a result of the Hollman Consent Decree which settled housing discrimination class action litigation. The Consent Decree required the MPHA to demolish 770 Public Housing program units and provided funding for the development of replacement Public Housing units within the City of Minneapolis and metropolitan-area suburban locations. The Metropolitan Council developed 150 of these units, known as the Family Affordable Housing Program.

The MPHA holds the federal funding agreement for 106 units of Public Housing in 16 sites and 11 cities around the region. The MPHA neither owns nor manages the units directly and all are privately owned and operated. The process of managing and operating these scattered Public Housing units is onerous and costly for the property owners. The MPHA is interested in pursuing a voluntary conversion of the Public Housing program units to Section 8 Housing Choice Voucher assistance and transfer of the units to the Council's Housing and Redevelopment Authority (Metro HRA).

The process would include a [Streamlined Voluntary Conversion](#) (SVC) application to the U.S. Department of Housing and Urban Development (HUD) that would result in an award of 106 new housing vouchers to the Metro HRA. The new vouchers would provide continued rent assistance to the current unit occupants who are able to remain in their current unit or move to another unit of their choice. There will be little disruption to the residents as a result of the process.

Why should the Metro HRA collaborate with MPHA on this initiative?

- The 106 units are primarily located in Metro HRA's voucher service area.
 - Exception: 19 units are located in Plymouth; 8 units are located in Minneapolis
 - The Council would enter into a Joint Powers Agreement to operate all the units for at least one year or until the residents move to another location.
- Streamlined Voluntary Conversion is only available to agencies that have fewer than 250 Public Housing Units. The Metro HRA does not have Public Housing so falls into this category.

Next Steps

The following are the next steps in the process, some of which require Council approval. The target date for conversion completion is January 1, 2024.

1. MPHA does a partial voluntary transfer of 106 units to Metro HRA
2. MPHA and Metro HRA engage with residents and unit owners.
3. MPHA and Metro HRA enter into a Joint Powers Agreement to allow the MPHA to continue operating the units as Public Housing until the Streamlined Voluntary Conversion is complete.
4. The Metro HRA and MPHA submit a Streamlined Voluntary Conversion Plan and Application to HUD.
5. The Metro HRA receives 106 new vouchers from HUD to provide continued rent assistance for the current unit occupants.
6. The Metro HRA enters into JPAs with MPHA and Plymouth HRA which would allow Metro HRA to operate the voucher assistance that are located in those cities.

